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100th Congress, 1st Session

H. Rept. No. 100-433 S. Rept. No. 100-216

Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 27

Depositions

Lee H. Hamilton, *Chairman,*
House Select Committee
Daniel K. Inouye, *Chairman,*
Senate Select Committee

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

November 13, 1987.—Committed to the Committee of the Whole House
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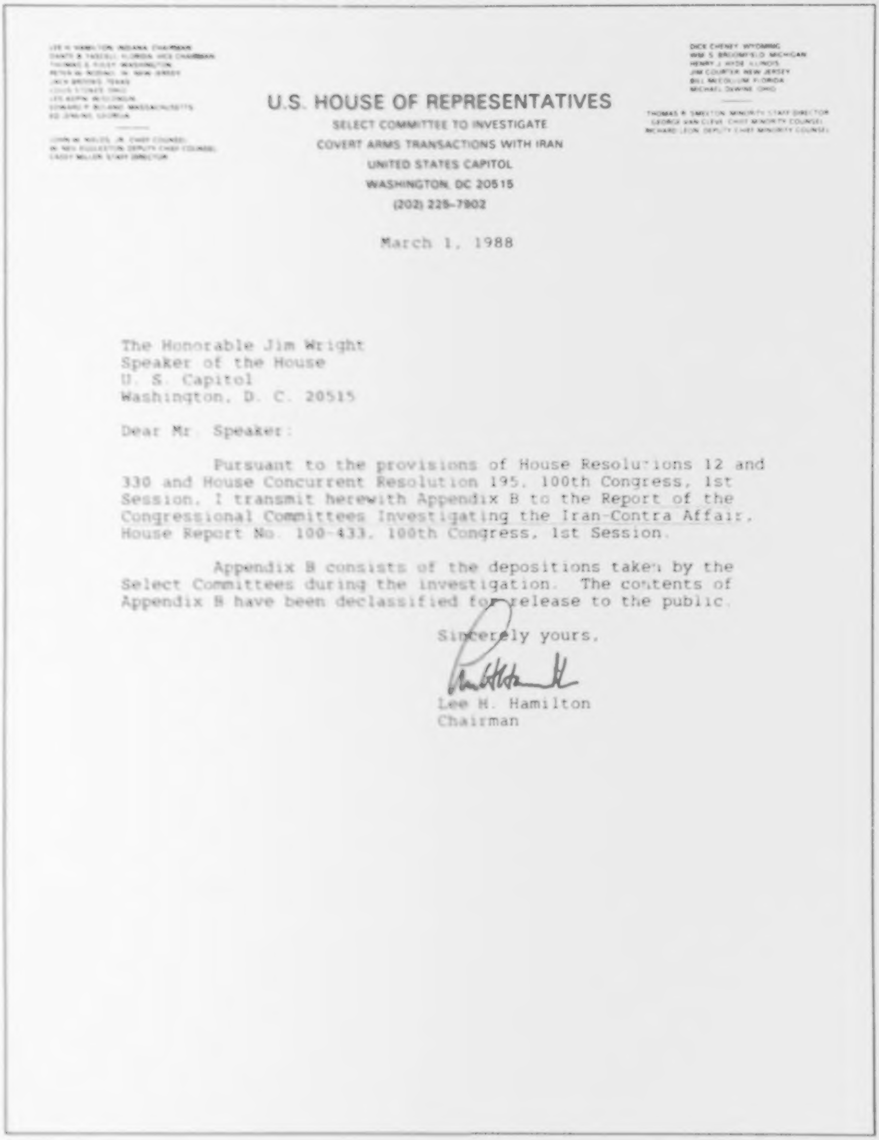

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March 1, 1988

The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

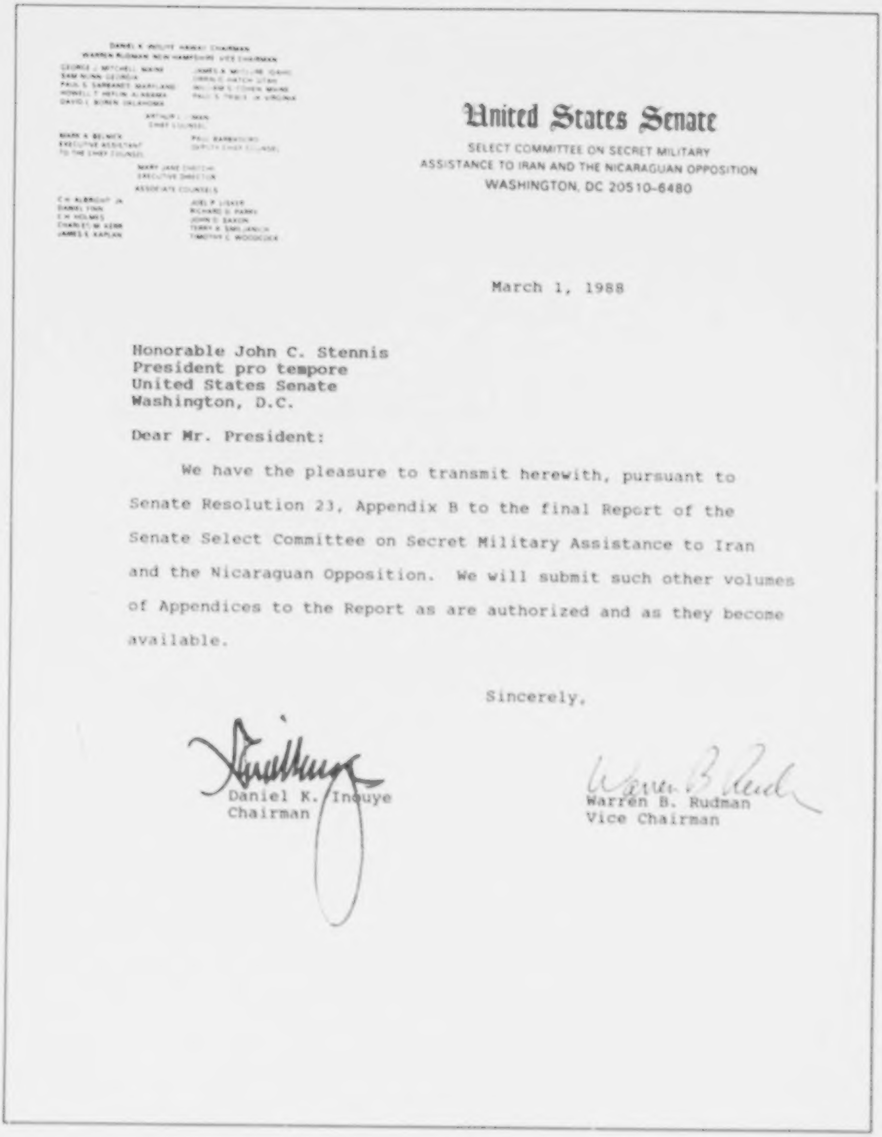
Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

Lee H. Hamilton
Chairman



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United States Senate
SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510-6480

March 1, 1988

Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

Daniel K. Inouye
Chairman

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Contents

Volume 27

Preface XXI
Thurman, Gen. Maxwell 1
Trott, Stephen S 75
Tull, James L 169
Vessey, John 230
Walker, William G 289
Watson, Samuel J., III 353
Weinberger, Caspar 456
Weld, William 580
Wickham, John 645
Zink, Gregory (See Alfred Clark)

Depositions

Volume 1

Airline Proprietary Project Officer.
Alvarez, Francisco J.
Allen, Charles.
Arcos, Cresencio.

Volume 2

Armitage, Richard.
Artiano, Martin L.
Associate DDO (CIA).
Baker, James A., III.
Barbules, Lt. Gen. Peter.
Barnett, Ana.
Bartlett, Linda June.
Bastian, James H.
Brady, Nicholas F.
Brown, Arthur E., Jr.

Volume 3

Byrne, Phyllis M.
Calero, Adolfo.
Castillo, Tomas ("W").
Cave, George W.
C/CATF.

Volume 4

Channell, Carl R.
Chapman, John R. (With Billy Ray Reyer).
Chatham, Benjamin P.
CIA Air Branch Chief.
CIA Air Branch Deputy Chief.
CIA Air Branch Subordinate.
CIA Chief.
CIA Communicator.
CIA Identity "A".

Volume 5

CIA Officer.
Clagett, C. Thomas, Jr.
Clark, Alfred (With Gregory Zink).
Clarke, George.
Clarridge, Dewey R.
Cline, Ray S.
C/NE.
Cohen, Harold G.

Volume 6

Collier, George E.
Cole, Gary.
Communications Officer Headquarters, CIA.
Conrad, Daniel L.

Volume 7

Cooper, Charles J.
Coors, Joseph.
Corbin, Joan.
Corr, Edwin G.
Coward, John C.
Coy, Craig P.
Crawford, Iain T.R.

Volume 8

Crawford, Susan.
Crowe, Adm. William J.
Currier, Kevin W.
DCM, Country 15.
DEA Agent 1.
DEA Agent 2.
DEA Agent 3.
deGraffenreid, Kenneth.
de la Torre, Hugo.
Deputy Chief "DC".

Volume 9

Deumling, Robert W.
DIA Major.
Dietel, J. Edwin.
Dowling, Father Thomas.
Dutton, Robert C.
Earl, Robert.

Volume 10

Farber, Jacob.
Feldman, Jeffrey.
Fischer, David C.
Floor, Emanuel A.
Former CIA Officer.
Fraser, Donald.
Fraser, Edie.
Fuller, Craig L.

Volume 11

Furmark, Roy.
Gadd, Richard.
Gaffney, Henry.
Gaffney, Henry (With Glenn A. Rudd).
Galvin, Gen. John R.
Gantt, Florence.
Garwood, Ellen Clayton.
Gast, Lt. Gen. Philip C.
Gates, Robert M.
Glanz, Anne.

Volume 12

George, Clair.
Godard, Ronald D.
Godson, Roy S.
Golden, William.
Gomez, Francis D.
Goodman, Adam.
Gorman, Paul F.
Graham, Daniel O.
Gregg, Donald P.
Gregorie, Richard D.
Guillen, Adriana.

Volume 13

Hakim, Albert.

Volume 14

Hall, Wilma.
Hasenfus, Eugene.
Hirtle, Jonathan J.
Hooper, Bruce.

Hunt, Nelson Bunker.
Ikle, Fred C.
Jensen, D. Lowell.
Juchniewicz, Edward S.
Kagan, Robert W.
Keel, Alton G.
Kellner, Leon B.
Kelly, John H.
Kiszynski, George.

Volume 15

Koch, Noel C.
Kuykendall, Dan H.
Langton, William G.
Lawn, John C.
Leachman, Chris J., Jr.
Ledeen, Michael A.

Volume 16

Leiwant, David O.
Lilac, Robert H.
Lincoln, Col. James B.
Littledale, Krishna S.
McDonald, John William.
McFarlane, Robert C.
McKay, Lt. Col. John C.
McLaughlin, Jane E.

Volume 17

McMahon, John N.
McMahon, Stephen.
McNeil, Frank.
Makowka, Bernard.
Marostica, Don.
Marsh, John.
Mason, Robert H.

Volume 18

Meese, Edwin III.
Melton, Richard H.
Merchant, Brian T.
Meo, Philip H.
Miller, Arthur J.
Miller, Henry S.
Miller, Johnathan.

Volume 19

Miller, Richard R.

Volume 20

Motley, Langhorne A.
Mulligan, David P.
Nagy, Alex G.
Napier, Shirley A.
Newington, Barbara.
North, Oliver L.
O'Boyle, William B.
Osborne, Duncan.
Owen, Robert W.
Pena, Richard.
Pickering, Thomas.
Poindexter, John M.

Volume 21

Posey, Thomas V.
Powell, Gen. Colin L.
Price, Charles H., II.
Proprietary Manager.
Proprietary Pilot.
Radzimski, James R.
Ramsey, John W.
Ransom, David M.

Volume 22

Raymond, Walter, Jr.
Regan, Donald T.
Reich, Otto J.
Revell, Oliver B.
Reyer, Billy Ray (See John Chapman).
Reynolds, William B.

Volume 23

Richard, Mark M.
Richardson, John, Jr.
Robelo, Alfonso.
Robinette, Glenn A.
Rodriguez, Felix I.
Roseman, David.

Rosenblatt, William.
Royer, Larry.
Rudd, Glenn A.
Rudd, Glenn A. (See Henry Gaffney).

Volume 24

Rugg, John J.
Russo, Vincent M.
Sanchez, Nestor.
Scharf, Lawrence.
Schweitzer, Robert L.
Sciaroni, Bretton G.
Secord, Richard V.

Volume 25

Shackley, Theodore G.
Sigur, Gaston J.
Simpson, Major C.
Sinclair, Thomas C.
Singlaub, John K.

Volume 26

Slease, Clyde H., III.
Smith, Clifton.
Sofaer, Abraham D.
Steele, Col. James J.
Taft, William H., IV.
Tashiro, Jack T.
Teicher, Howard.
Thompson, Paul.
Tillman, Jacqueline.

Volume 27

Thurman, Gen. Maxwell.
Trott, Stephen S.
Tull, James L.
Vessey, John.
Walker, William G.
Watson, Samuel J., III.
Weinberger, Caspar.
Weld, William.
Wickham, John.
Zink, Gregory (See Alfred Clark).

Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

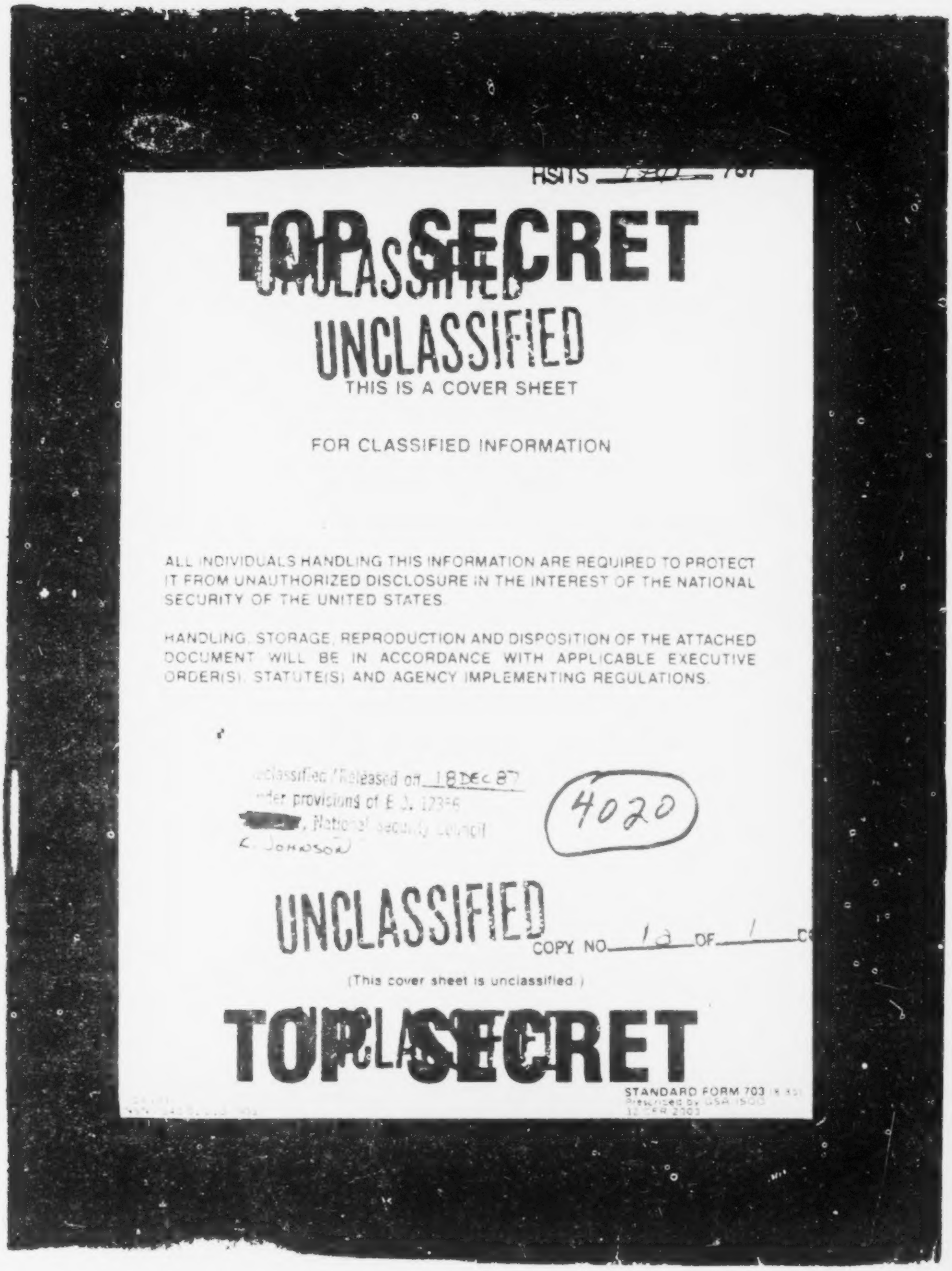
The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the House and Senate Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair, 1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.
Appendix B: *Depositions*, 27 volumes, 1988.
Appendix C: *Chronology of Events*, 1 volume, 1988.

All publications of the Select Committees are available from the U.S. Government Printing Office.



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DEPOSITION OF GENERAL MAXWELL R. THURMAN

Friday, June 12, 1987

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
Washington, D. C.

Deposition of GENERAL MAXWELL R. THURMAN, called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 3:03 p.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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APPEARANCES:

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Associate Counsel

On behalf of the House Select Committee to Investigate Covert Arms Transactions with Iran:

JOSEPH SABA, ESQ.
ROGER KREUZER

On behalf of the witness:

ROBERT J. WINCHESTER, ESQ.
Special Assistant to the Secretary of the Army for Legislative Affairs
COLONEL JOHN WALLACE

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CONTENTS

WITNESS	EXAMINATION ON BEHALF OF SENATE	EXAMINATION ON BEHALF OF HOUSE
General Maxwell R. Thurman		
By Mr. Saxon	4	
By Mr. Saba		9
By Mr. Saxon	11	
By Mr. Saba		15
By Mr. Saxon	16	
By Mr. Saba		37
By Mr. Saxon	38	
By Mr. Saba		49
By Mr. Saxon	49	
By Mr. Saba		50
By Mr. Saxon	50	
By Mr. Saba		51
By Mr. Saxon	52	
By Mr. Saba		64
By Mr. Kreuzer		65
By Mr. Saxon	71	

P R O C E E D I N G S

Whereupon,

GENERAL MAXWELL R. THURMAN,

called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q Would you state your name, please, for the record, sir?

A Maxwell Reid Thurman.

Q What is your profession?

A I am a military officer.

Q What is your rank, sir?

A I am a General.

Q And your current position?

A I am the Vice Chief of the U.S. Army.

Q And did you assume that position on 6/22/83?

A That's correct.

Q And what was your immediate prior assignment?

A I was the Deputy Chief of Staff for Personnel in the U.S. Army.

Q I understand you will be relinquishing this position shortly.

A That is correct. On the 22nd I will

relinquish the position. I will assume a new command on the 29th of June.

Q And what command is that, sir?

A Command of the Training and Doctrine Command, United States Army stationed at Ft. Monroe, Virginia.

Q General Thurman, during the course of this deposition I will make reference to the fact that we have spoken earlier and that you might have told us something in part~~icular,~~ and for the record I have in mind the interview that Mr. Kreuzer and Bud Albright of the Senate staff and I conducted with you on April 17, 1987, with Colonel John Wallace present.

A Very well.

Q Let's begin, if we could, by discussing TOW missiles and how you got involved in what is Project SNOWBALL or what became known as Project SNOWBALL. And if you would, sir, just start from day one, which I believe was January 18, 1986, and correct me if I'm wrong, and walk us through that involvement.

A Okay. I will be happy to do that. As the Vice Chief of Staff of the Army I'm called upon in the absence of the Chief of Staff to act as the Chief of Staff, and on the 18th day of January, 1986, the Chief of Staff was absent from Washington, so I was acting Chief of Staff.

Q That is General John Wickham?

A That is correct. Now sometime in the morning of Saturday, 18 January 86, General Colin Powell, who was at that time the Military Assistant to the Secretary of Defense, came to see me in my office and he issued me an instruction, and the essence of that instruction was I want you to be prepared to ship 1,000 TOW missiles on short notice and to be prepared to ship another 3,000 to 3,500 TOW missiles subsequent to that.

I asked him are the TOW missiles to be with night sights or launching equipment, or just vanilla TOW missiles, meaning basic TOW missiles. And he indicated to me at that time only basic TOW missiles, no night vision devices and no ground launch or any other kind of launcher devices.

And I said to him, now this is an order and you are acting as a relay point for the Secretary of Defense, or words to that effect, and he said yes, I am. And I said will there be any paper to follow, because normally we would get requests like that through a system which we call the [redacted] He said there would not be and that I was to treat that as close hold material.

And then I asked him what would be the time line, given short notice to ship, and he said anywhere from 12 to 16 to 72 hours. And I said, I roger your transmission and he exited the premises.

Q Sir, did he tell you from whom he received this order?

A He did not.

Q Was there any mention at that time of the destination of the CIA as the receiving agency?

A There was not, to my knowledge.

Q Was there mention at that time of the ultimate destination of Iran?

A Absolutely not.

Q Was there any mention of Israel as an intermediary?

A Absolutely not.

Q Was there any mention at that time of this requirement being done pursuant to a Presidential Finding?

A He did not state that, but the key point there is at that instant he issued me a "be prepared" order, so I didn't know what would subsequently come about that. And so I understand a be-prepared as opposed to a shipment order. A shipment order comes later in the sequence of events, but at that particular instant he did not indicate any destination, and I don't know whether he knew or not. I just don't know that.

Q And, sir, for the record I am correct in saying, am I not, that at that point beyond saying basic TOWs or vanilla TOWs there were no specifications as to condition code, price, et cetera?

A Absolutely not. He got into nothing about that.

Q Anything else you can recall that we should know about this first conversation with General Powell?

A No, not that I can recall. You might prompt it by questioning, but I don't have anything else. I got the order. I interpreted the order to be from a responsible authority because he was in fact the executive officer to the Secretary of Defense, and it was a be-prepared order, and that is a legitimate order to go and be prepared about.

Q And, General Thurman, is it your understanding he came to you in your capacity as the Acting Chief?

A Absolutely. I was the senior ranking officer in Washington in the U.S. Army. I just happened to be on duty that morning at the Pentagon and he came to see me-- called up on the telephone, asked if he could come and see me, and I said sure. And the conversation ensued.

Q And in that capacity, then, and not in your capacity as the [redacted] for the Department of the Army?

A That's right, although I serve as both on that day.

Q It might be helpful for us to try to ask all of our questions about this conversation at this time. Roger, Joe, do you have any questions?

EXAMINATION

BY MR. SABA:

Q Yes. Did you have any reason to believe that when he was addressing you he was addressing you not only as the Chief Army officer in Washington that day but also as the person in charge of the [redacted]?

A I don't have any idea what went through his mind at the time. As will come later when I describe my actions subsequent to that, I intruded the process into the Army's [redacted] but that process may not have included the Department of Defense. I don't know what went on at the Department of Defense.

Q So is it fair to say that when General Powell came to you he came to you as the senior ranking Army officer in Washington?

A That is correct.

Q In fact, you took it to be that and you did not take it to be that he was coming to you as head of the [redacted]

A I took it to be that he was coming to me as the senior officer of the United States Army, as the Acting Chief of Staff on that day.

Q Did it occur to you on that day that the order which he gave to you might also be one of concern to the [redacted]

A Well, it did, because later, if I describe what happened after that, you will determine that I put it into at least a piece of the Army's [redacted] simply because I had to make sure that the Chief of Staff was going to be properly advised about it.

Q I understand. But I'm trying to be very narrow in my time frame.

A Okay.

Q And that is on January 18, 1986, was your state of mind on that day that this was a matter to be put through the [redacted]

A State of mind at that day was issue the order because it was a be-prepared order, a be-prepared order. We can ask to be prepared to do anything, but the execute order is yet to come, and in the execute order you go through another rationale. But at that particular instant I issued the instructions to go to the inventory and the like and I also notified my [redacted] to pick up the action in my absence.

BY MR. SAXON: (Resuming)

Q All right, sir. Tell us what you then did upon having received the be-prepared order from General Powell.

A Okay. I did two things after I received the order from General Powell. One is I contacted Lieutenant General Register. He is the Deputy Chief of Staff for Logistics. I don't recall whether he was in the building or not, but I ordered him into the building if he wasn't in the building. Anyway, I face to face went down to see Lieutenant General Register and I gave him the following order.

I said I want you to do an inventory of where our missiles are located and be prepared to ship on short notice 1,000 missiles, whether it be on 12, 16, 32, 72-hour notice, and I further said to him it is a very close hold operation but it's a be-prepared order and I don't want you talking on the telephone about it. So if you need to do some transportation from Washington, D. C. to Redstone Arsenal, which is the national inventory control point where we keep records of all of that, then you have my authority to order up an airplane to do that, fly either way, in order to get the action officers.

I didn't even know whether we had 1,000 TOW missiles in the system, much less 3,000 more after that or their whereabouts, but I said get onto it swiftly and report back and be prepared to ship when we tell you to ship.

Then the second thing I did after that is I called for [redacted] through which these projects normally would flow.

Q And that's the [redacted]

A [redacted] the principal head, the head of that. And I gave him an instruction. I said, I'm going to give you the same order that I received from General Powell and that I have relayed to General Register, and I want you to go back and make a memorandum for the record and I want you to follow up with the action officer and the Deputy Chief of Staff of Logistics and make sure you record the names of everybody that has his hand in this particular operation.

And I said, furthermore, you keep the Chief of Staff of the Army apprised of the action because I'm going to leave town this afternoon, Saturday afternoon, the 18th of January, on or about 1800 hours to fly to Europe and therefore I will not be here and you keep the action in focus and report to the Chief of Staff of the Army.

The third action I took was the Chief of Staff returned that afternoon, on or about 1330, and --

Q This is all still on the 18th?

A On Saturday, the 18th, and is customary when the Chief of Staff has been absent and particularly when I've been the Acting Chief of Staff in matters pertaining to the Joint Chiefs of Staff, I went to his quarters at this particular time, since I didn't want to impose upon him to come to the office, to give him a dump on the meetings that I had conducted in his absence or that I had been a participant in in his absence.

And one of the things I informed him of was the fact that General Powell had come and given me a warning order, that I had set in motion the response to that, to inventory to locate the whereabouts of the 1,000 TOW missiles, and that I had informed [redacted] and that he would be apprised as the situation developed.

Q Did you tell General Wickham that this had come from the Office of the Secretary of Defense?

A I surely did. I named General Powell.

Q And did you tell him that it was a close-hold sensitive?

A I did. I told him it was very sensitive, very close hold. It was also a be-prepared mission and that we would just have to see how that developed.

And then the fourth action I took that afternoon is before I departed I called back to General Powell and I said to General Powell, reference the conversation you and I had had earlier today the wheels are in motion and we are ready to execute subject to the wheels in motion producing the information necessary. And that terminated my activities on the 18th with respect to the TOW missile business.

I then departed for Europe 1800 or thereabouts to go to visit troops on REFORGER in that particular activity that week.

Q Sir, was this an unusual type of request to be transmitted -- (a) the type of request that it was and (b) to come into the Army the way it did?

A The number of TOW missiles was unusual.

Q Unusual?

A In the number.

Q Meaning large?

A Like 1,000, yes. The number of 1,000, the be-prepared to ship 1,000 versus the 3,000; that was unusual. Normally we do not get those kinds of instructions from the executive office of the Secretary of Defense. Normally when we are reacting to inquiries and to requests they are channeled through a system called the [redacted] which would come to us principally through [redacted]

Q If you would, sir, take a moment for the record and give us a bit of the history of the creation of [redacted]

MR. SABA: Could I ask a time question?

MR. SAXON: Sure.

BY MR. SABA: (Resuming)

Q Just so it's clear, General, when you departed for Europe you still did not know and I presume you had not informed [redacted] that this would be a transfer to any other United States agency?

A I didn't know a thing about who was going to get it, when it was going to be shipped. I didn't know anything.

Q So it would be correct to say that when you departed for Europe it would not have occurred to you that this was necessarily a matter which would have gone through the [redacted] in any circumstance?

A No. I guess what I'd say about that is my concern was to assure that there was some accountability process, given that I was the officer of the Chief of Staff and my accountable processing agent was [redacted] But at the instant I had no idea where they were going and I didn't know when they were going, nor did I know about any later papers or authorization or fund sites or whatever, because in the instruction it was simply a be-prepared order.

And so we always can respond to be-prepared orders without being explicit in the final accomplishment of all the documentation.

Q So for all you knew the missiles may have been intended for a direct transfer to a foreign country?

A I had no idea at the moment. I just had no idea about that.

BY MR. SAXON: (Resuming)

Q If you would, General, walk us through the creation of [redacted] in brief form.

A A month after the Chief of Staff and I came on board as a team at the same time, 22 June 1983, a month after that he [redacted]

As a result of that we began the processes of trying to understand what [redacted] That is to say those matters pertaining to material acquisition, for example, [redacted]

So not long thereafter we have a bubble-up from below which indicates there is some allegations of misappropriation of funds in one of our black programs which adds further stimuli to the process of trying to set up an appropriate oversight mechanism to control the actions, the orders, the shipments, the funding channels and the like.

Q Would that have been YELLOW FRUIT?

A That is an operation called the YELLOW FRUIT operation, which commenced in October, the investigation of which commences in the arrival of a particular individual who alleges malfeasance of office in late October 1983. We subsequently turned that into an Inspector General inquiry, subsequently into a 15-6 inquiry, subsequently into a Department of Justice inquiry that later takes on its own course of events and ends up in prosecution in both military and civil court.

As a result of all that, I believe in 1984 I [redacted] set up the formal system after we had gone through the various staffing inside the Army as to how to assure that we had the appropriate mechanism to review our process, and [redacted]

[redacted]

Q And that is for transfers of Army materiel and equipment to other agencies of the government?

A Yes.

Q Not exclusively but primarily the CIA?

A Primarily, and it does not include military assistance cases, military assistance cases coming under the auspices of the Director of Security Assistance, General Gast in the present instance. His cases, if they are -- and they are all open and in the white, to the best of my knowledge -- those cases are not processed through the [redacted]

Q Is it fair to say that at least in concept and implementation the [redacted] was designed as the exclusive system for handling transfers to the Agency?

A Yes, effective [redacted] And we have some ongoing operation to gather up all of the -- subsequent to [redacted] we have the process of going out and interrogating and collecting all the information that is resident in agencies outside of the

Department of the Army itself -- in other words, in the Army Materiel Command, in the special operating forces or elsewhere -- in other words, getting our arms around the process took us some time subsequent to the initiation of the office. But from that point onward the [redacted] interests that came into the Army came in through that system.

The procedure for that is an inquiry may come in from the Agency [redacted]

That then would be staffed through [redacted]

Q And there would be staffing on the readiness issue at some stage; is that correct, sir?

A Yes. That would be a part of the staffing process.

Q And there would be legal review, as I understand it, at three different levels, [redacted]

A That is correct.

Q While there were individuals involved in the Army's [redacted] who were involved in SNOWBALL and CROCUS, is it fair to say that those two transactions bypassed the formal [redacted]

A They bypassed the formal [redacted] on the ingress line, other than to say it came to me as the [redacted] on the SNOWBALL, and it came to the Chief of Staff on the CROCUS. So you could technically say that it entered at a node but it didn't come through the normal staffing procedure, which would then have been a piece of paper that transmitted that. Most of the transmission was oral.

On the outbound leg on both counts, at least on the count of the TOW, the first shipment is made without a complete wringout through all of the procedural steps that I just described, although subsequent to that there is a touching base with the General Counsel and the Judge Advocate General that begins to say time out, wait a minute, and that precipitates the General Brown letter on notification and the like, which I believe is dated 7 March. But that is subsequent to the first shipment, as I recall it, which occurred on the 13th of February.

Q Since the [redacted] was reorganized or formalized concurrent with the formulation of [redacted] are you aware of any other transfers to the CIA from the Army that have not gone through the formal [redacted]

A I'm not aware of it.

Q And that would include, I assume, some fairly sensitive transfers that we have made?

A To the best of my knowledge I know of no transfers that haven't been made through the [redacted]

Q But of those that have been made, some of them have been quite sensitive in nature?

A Yeah.

Q If you would, then, let's return to the chronology. I believe that you returned from your trip to Europe on or about January 26; is that correct, sir?

A I came back on the following Sunday, which would have been the 26th; that's correct.

Q And in the interim I believe that then-Major General Vincent Russo had been given the requirement to actually work the TOW missiles by General Register; is that correct, sir?

A That is correct. He was the Deputy DCS/LOG.

Q Were you involved in any way with any of the action once General Russo took over or were you totally out of it from that point forward?

A I was not into the TOW missile actions. I had come into the CROCUS along about 21 April, but I am not in the TOW missile action after that.

Q For the record, then, let me ask a couple of questions, the answers to which I think I know. Is it safe to say you were not involved in any discussions with General Russo or anyone else about pricing of TOW missiles?

A Absolutely correct. I was not.

Q Is it correct to say you were not involved in any of the discussions about whether replacement cost would be allowed for the TOW missile transfer?

A I was not involved in that.

Q Did you ever discuss with General Powell in your initial discussion or at any other time whether this would be done under the Economy Act?

A I did not.

Q Were you ever involved in discussions with General Russo or anyone else about the problems that resulted which necessitated an I-TOW downgrade and a reconfiguring of the basic TOW with the MOIC, et cetera?

A I did not know anything about that, and I was as surprised as anybody else when I learned about that several months later.

Q When you had your conversation with General Powell on January 18 did he mention from whom Secretary Weinberger had gotten this tasking?

A He did not. I don't remember him saying Secretary Weinberger either. I asked him are you representing the Secretary of Defense. He said yes.

Q So you would have assumed he got his marching orders from Secretary Weinberger?

A I would assume so.

Q But you did not know that for a fact?

A I do not know that for sure, but I would assume that. I want to make clear that he is executive officer to the Secretary of Defense and when I asked him the specific question is this a legitimate order from the Office of the Secretary of Defense he said yes. So I made the assumption it was from the Secretary of Defense.

Q Which would have been necessary, I assume, because normally a two-star general doesn't give a fourstar general orders.

A No, but I know who he is. He represents the Office of the Secretary of Defense in that he is the executive officer of the Secretary of Defense, and so I make the assumption that he is giving me a legitimate order, particularly when I interrogate him about that and he responds in the affirmative.

Q All right, sir. I understand it was a be-prepared order as opposed to an execute order.

A That is right.

Q But I want to get at a distinction between a requirement or an order or a mission that would be imposed on the Department of the Army versus a request coming laterally from the CIA.

Did you assume that this was a requirement imposed on DA or a mission given to DA over which it had no discretion?

A I made no interpretation of that. I looked at the legitimacy of the office issuing the instruction, and that was, in my belief, that when the Office of the Secretary of Defense, given the civilian control of the military which ensues, that the Office of the Secretary of Defense is issuing us an instruction, a valid mission.

Q Would you say that the [redacted] worked fairly well?

A Absolutely.

Q Have they worked so well that in fact the CIA sometimes complains now that you don't play ball with them as much as you did before?

A There have been complaints that we have taken longer to answer inquiries than we used to.

Q Sir, when we met with you earlier you characterized this, if my notes are correct, as follows: We have tightened the noose around this sucker that is so tight they have accused us of strangulating time lines. Would that be a correct characterization?

A That is a little harsh perhaps, on my part, but we have tried to do our best to tighten up our procedures to the point that they are adequately staffed and that the appropriate recommendations are given to our civilian master, the Secretary of the Army.

Q As far as you aware, even though you were personally not involved in any discussions about price for the TOWs, are you aware of any pressure applied on anyone wearing an Army uniform or in an Army civilian capacity to come up with a low price?

A I am not.

Q Are you aware of any ceiling that would have been imposed by the CIA on how much money they could spend for TOW missiles?

A I am not.

MR. SAXON: All right. I am ready to go to CROCUS. If you guys have some questions, we should probably get them now.

MR. SABA: I have no further questions on this matter.

BY MR. SAXON: (Resuming)

Q General Thurman, you told us that you picked back up in these matters sometime in April and I believe in the interview you previously told us that on or about 21 April you ran into General Russo and found out that there was sort of a follow-on. Can you tell us about that, sir?

A He said that -- we had a hallway meeting engagement and he said that he had been given instructions to proceed on some HAWK parts, like the TOWs. And I said who gave you the instruction? He said the Chief of Staff. I said is the Chief of Staff, General Wickham, monitoring your activities? He said yes, he is. I said, in that case I will not intrude myself.

Q So it was sort of a thanks for the information, carry on, type of discussion?

A No. It was useful because if in the absence of the Chief of Staff the matter came up, it was not as if I hadn't heard about it. But the point is we don't try to do each other's work, and in this particular case he was dealing with the Chief of Staff and therefore he did not need to include me on the details about that.

Q And were you involved in any of the details of the HAWK repair part shipments?

A I get involved in it much later in the time sequence. I get involved when I am again the Acting Chief of Staff, and that occurs on or about the 22nd to the 24th of September, 1986.

Q All right, sir. Before we go into that, then, let me ask a few questions for the record on the HAWK repair parts.

Were you aware that the repair parts list was prepared abroad and when it came to DA from the CIA there was a lot of outdated and confusing information?

A I was not aware of that until later, after the Inspector General inquiry was conducted, much later.

Q Were you aware of any of the statements that Army officials made to the CIA, primarily through Major Simpson and, to some extent, through General Russo, that the way to have done this for not much more money would be to rebuild the whole HAWK missile rather than to spend the money for these repair parts which were requested?

A I was not aware of that.

Q So all of those particulars, and any others--

A I had nothing to do with the action, so I am not aware of that.

Q And any concerns about the readiness impact of providing any of these items --

A Those papers did not come through me.

Q You say then that your next involvement comes on 22 or 24 September. What happened then?

A Well, at that particular time again I was the [redacted]

Q It had been [redacted]

A It had been [redacted] And there was an action memorandum that was brought up by [redacted] at that particular time which represented additional spare parts for the HAWKs.

And he said there was some anxiety in the staff about that particular process and therefore we needed to raise that to the Secretary of the Army and make sure that it was appropriate for us to continue to ship those parts.

He then went in to see the Chief of Staff the next day, talked to the Chief of Staff about that, and the Chief of Staff then said make sure that it is run through the TJAG or the General Counsel, and it is. And then the last action I have on that is about 22 October, when again I'm the Acting Chief of Staff of the Army. He brings up a paper which says we should tell the Secretary of the Army to go up and see the Secretary of Defense in terms of full disclosure with respect to the recipient agency and the destination and the like.

And the Secretary of the Army acts on a recommendation and does that at that particular point in time. The action with respect to those HAWK parts is suspended.

Q Sir, was that set of meetings and those memoranda, were they generated by the follow-on request for HAWK repair parts that came after the April request for HAWK repair parts?

A Yes.

Q And it was the opinion of the Department of the Army that rather than simply being an addition this was in essence a new tasking or a new request?

A That's right.

Q For which reason the earlier approval and the earlier instructions which came down from the Office of the Secretary of Defense would not have been governing because this in fact came laterally from the CIA; is that correct, sir?

A I can't attest to that latter. All I know is that the troops doing the work in the action process -- and I'm not sure of the connection on whether it came laterally because I was not in on it on the inbound leg, but in the staffing process that was going on they raised some concern about the dimension of it and the destination of it and the like, and therefore they raised the red flag.

So we reacted to that.

Q Were you involved at any point, General, on the HAWK radars?

A I was not.

Q The Congressional notification issue about which the Department apparently had great sensitivity and appropriate sensitivity is something you mentioned earlier. You mentioned the memorandum that General Brown prepared and which he provided to General Powell and which we now know General Powell sent to Admiral Poindexter at the White House.

A Yes, sir.

Q Mrs. Crawford, the Army General Counsel prepared a memorandum on this issue. Are you aware of whether anyone at the Department of the Army actually inquired after those memoranda were sent forward of whether notification had been provided by the CIA to the

Congress?

A I'm not aware of that personally.

Q And did anyone ever comment orally or in writing that perhaps somebody should check that and see whether that had taken place?

A I don't specifically recall that. It may be in the documents, but I just don't recall it.

Q You mentioned earlier that when you had your hallway conversation with General Russo and he briefly read you on, if you will, to this tasking on the HAWK repair parts that you would perhaps, if General Wickham were out of town, become the Acting Chief again and there might be some action on that, at which point you would become active.

A That's right.

Q Now for our understanding tell us how that process works if you are not being briefed or kept apprised daily, and if we have any concerns about that disabuse us if we should be so disabused.

A In the process of doing business there are occasions when the Chief of Staff of the Army can be read on to a program that even I am not read onto, unless I have an express requirement to be read on for his explicit absence. Actions like that include arms control and very sensitive matters. And so there may be times when he and I both are in town, whereas he would be read onto a specific action over which I had no knowledge, and therefore I am not kept up to date on a day-to-day basis.

Now if he then departs I may have to be explicitly brought on on a particular subject matter in order to be acting as the Acting Chief of Staff, in which case I am brought on. I then follow it on a day-to-day basis.

Now the presumption on my part with respect to the HAWK business was that it was being handled by the Chief of Staff, so I didn't intrude myself in that process. And again it was not going through the normal [redacted]

So that is the process. So, you know, I guess from my standpoint relatively uncommon that those kind of compartmentations exist, but then there are some of those. So I raised no hackles about that when I was told there was an action under way and it was a sensitive one because he, Russo, had told me that it was like the TOW caper and the TOW caper was a sensitive one, and I did not intrude myself into that.

Q I understand that explanation. Let me put one possibly different interpretation on things. You have already indicated that the initial request from General Powell on the TOWs was perhaps a bit unusual and it did not go through the normal [redacted] of which you were the [redacted] as you have described it.

And General Powell indicated there would be an initial request probably to ship 1,000 TOWs and that there might be additional requirements up to 3,000 or maybe 3,500. And then in April you find out that there is a request for HAWK repair parts as a follow-on, and given that this is sensitive, a sensitive matter one can ask whether it is wise as a matter of practice or policy to have periods when you are not aware of what is happening in sequence, and whether if General Wickham did go out of town and you then became the Acting Chief, whether if you are read onto something which arises whether you have got the proper context for making decisions.

A I think that's a fair question, and I would just say that in the past I have handled actions and been read on in the context of his being departed from town and handled the actions in a reasonable manner while he is absent and then when he comes back he picks up the action, and I may have a breakage at that particular point in time because of the sensitivity of the action.

So in hindsight one might say, Thurman, you should have got yourself in there with a great deal of gusto, but at the time I had absolutely no idea where the stuff was going and there are many countries in the world who have been the recipients of TOW missiles through legitimate foreign military sales, and many owners of HAWKs.

And so that fact, I know that, and so that fact sort of told me that I didn't need to know any more than I needed to know at the time, so I didn't pressure Russo at the time about it, and if I then get back into it later when I'm the Acting Chief, I'm brought into it and I take constructive action on it.

Q On October 24 I believe you indicated that Secretary Marsh paid a visit to Deputy Secretary of Defense Taft on the readiness question with regard to the HAWK request; is that correct, sir?

A Well, I'm not privy to exactly what he said. What we said in our recommendation to him on the 22nd is we need to make sure that Project CROCUS needs to be provided the appropriate authorities within DOD and legal review should be accomplished, and we shouldn't release any more material until that occurs and the legal

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position is described about that.

And it does have said in that particular memorandum that the opinion of the Deputy Chief of Staff for Logistics was it would have minimum impact on Army readiness. What the exact conversation Secretary Marsh had with Secretary Taft I am not privy to, but I am told that he did go and discuss matters with Secretary Taft and as a result of those discussions then the project was put in abeyance.

MR. SAXON: Joe or Roger, do you have anything on HAWK repair parts?

MR. SABA: No, John. I would think it would be useful, though, that the record reflect that the General used a memo of a particular date, if we could get that to help him with that answer.

BY MR. SAXON: (Resuming)

Q The memorandum to which you just referred, sir --

A That is dated 22 October 86, which I used to refresh myself with respect to the time line on the action that later resulted in the Secretary of the Army talking to Secretary Taft.

Q And that is a memorandum from whom to whom?

A It is from our [redacted] to me or through me to the Secretary of the Army, and I gave you the

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constituent parts.

Q General Thurman, did you have prior to these matters becoming public any knowledge of or involvement with any efforts by the Department of the Army to replenish Israeli stocks of TOW missiles in the late 1985-early 1986 time frame?

A I did not. Now they could have occurred through the foreign military assistance channel, which would have been a legitimate sale, because there are a number of people overseas, customers that are permitted to buy through appropriate authorities up through the logistics channels into the Department of Defense to approve sales of TOW missiles. You are talking about TOWs?

Q Yes, sir.

A But I don't recall any specific event about that. But I am also saying there could have been sales at that time.

Q All right, sir. Let me ask the same question with regard to entire HAWK missile systems, whether you are aware of or had any involvement with efforts to ship HAWK missiles in late 1985 to Israel or, for that matter, to Iran directly.

A I'm not aware of that.

BY MR. SABA: (Resuming)

Q What about HAWK missiles?

A HAWK missiles to Israel?

Q Yes.

A Again, I can't attest to it, that I know specifically about it, although I don't rule out the fact that there may have been some through a legitimate FMS sale. I just don't know.

Q Apart from FMS sales in 1985 were you aware of any efforts to determine our inventory of TOW missiles for purposes of transfer to a third country?

A I am not aware of that.

Q Or another agency?

A I'm not aware of that. I mean, we get inquiries all the time like that, but I'm just not aware of that.

Q I'd like to ask the same question with respect to HAWKs, which is whether in 1985 you were aware of any requests as to our inventory of HAWKs for the purposes of a transfer, whether to a foreign country or to another agency.

A I'm not aware of that.

BY MR. SAXON: (Resuming)

Q As you know, we've been focusing on the Iran part of the Iran-contra affair. Let's give equal time to the contra side.

A Okay.

Q And let you tell us anything you would like. Are you aware of any activity by the Department of the Army or DA personnel or military personnel with the Army who may be assigned or detailed or attached somewhere else being involved in assisting the contras in Central America during the period when the Boland Amendment cut off all funding for the contras by the U.S. Government?

A I am not aware of that.

Q Are you aware of any efforts by Army civilians or military personnel to assist in what we have come to know as the private supply operation or the private benefactor network which was operating outside of U.S. Government channels to aid the contras during the period?

A I'm not aware of that, of any direct assistance given to those people.

Q Are you aware of any indirect assistance?

A Indirect either.

Q All right, sir. I asked you when we met earlier about any discussion you may have had with General John Vessey, the retired Chairman of the Joint Chiefs.

A He was the Chairman at the time.

Q In the winter of 1984-85 regarding General Singlaub and the fact that General Singlaub was aiding the contras and raising money for them in certain ways with regard to the names of any retired military personnel who might like to provide operations or logistics advice to the contras.

A Yes.

Q Tell us about that conversation.

A Okay. General Vessey asked me if I could supply him a list of retired military officers who spoke Spanish who were logisticians, and I said well, I'll go check that out.

Q Did he ask you that in your capacity as Vice Chief of Staff of the Army or because you had been formerly head of the Army's personnel shop?

A I guess he asked me for both because I was the Vice Chief of Staff of the Army, but he knew I knew the personnel system. So he asked me if I could ascertain some of those people.

I prepared a list of about ten or fifteen people, to the best of my knowledge it was that number. Then, the more I thought about that the less I thought of it and, to the best of my knowledge, the issue died. The reason I say it died is because in my own view I felt that having somebody report to somebody's house and say would you like to come to work for us was an imposition on the recipient party. And so to the best of my knowledge, although there was a follow-up telephone call from Admiral Moreau, who was executive assistant to that, but I recall stalling that off, to the best of my recollection.

Q So after the initial conversation with General Vessey you did not talk with him again about this issue?

A I did not.

Q And you did get a follow-up from Admiral Moreau?

A I did.

Q And what do you recall about that?

A I recall that I said roger, I'll work on it.

Q Was that a hallway meeting?

A No, that was a telephone call. And at that time I had the piece of paper, but I didn't do anything with it, to the best of my knowledge. Now if somebody has the piece of paper, then I guess I did something with it, but I have looked for that piece of paper. I did not, to the best of my knowledge, do that because I was apprehensive that we shouldn't be doing that.

Q So to the best of your knowledge you did not provide that to Admiral Moreau?

A To the best of my knowledge. I have tried to reconstruct that since you asked me that, and to the best of my knowledge I did not provide that.

Q I'd like to ask you some questions about YELLOW FRUIT. We have yet to ascertain on behalf of the Senate Committee, at least, whether that is directly or even indirectly related to our inquiry. There are certainly some parallels there, so I'm not asking you to give us the entire history of YELLOW FRUIT, but if you could briefly and quickly walk us through an overview of what the problems were and the concerns were, and if you can update us as to whether in fact there are any Swiss bank accounts that may have Army officials names plus those of General Secord and Colonel North, et cetera.

A The YELLOW FRUIT exercise is kicked off in October 1983 by an allegation in INSCOM, the Intelligence and Security Command, U.S. Army.

Q Commanded by Major General Stubblebine?

A At that time, yes, now commanded by Major General Soyster. At that time the allegee said that there had been some misappropriation of money. He talked to the General Counsel of INSCOM. The General Counsel of INSCOM then proceeded to run that into an Inspector General inquiry.

Q Was the principal party making the allegations named William T. Golden?

A That is correct, and Golden appears later in the Swiss bank account connection. As a result of that allegation to INSCOM and the subsequent Inspector General inquiry the then-Deputy Inspector General of the U.S. Army, General Solomon, apprises me of a situation which has more far-reaching tentacles than just the mere allegation of some misappropriation of money.

So on or about the 29th of November, 1983 I issued an order to Major General Ed Peter, who is the ADCSPER of the Army, the Assistant Deputy Chief of Staff of Personnel for the Army, to conduct an informal 15-6 inquiry into the allegations of Mr. Golden. He does that and I gave him a time line of reporting back, as I call it, of 5 December.

Q And is a 15.6 regulation investigation, is that a collection investigation?

A The interrogator will have a lawyer present with him and he's able to take testimony which begins to illuminate the issue, but there is a more formal inquiry process than that, which is called the Article XXXII investigation under the Uniform Code of Military Justice. So this is the preliminary inquiry which tries to ascertain if there is a sufficient amount of information that warrants a full scale, flow-blown inquiry.

Peter comes back in on or about the 4th or 5th of December and he reports that not only is there sufficient evidence for the full-scale inquiry but that we must also bring in the FBI and the Department of Justice and the CID. And so we do that in the course of events, and that starts the investigation of YELLOW FRUIT.

Now YELLOW FRUIT grows out of a black program [redacted] And the more we dig into that, the more we find out that it goes into agencies using money, procuring supplies, procuring airplanes, procuring all sorts of materiel. And that investigation runs a substantial course of time.

And it contributes to what the Chief of Staff had suspected when he [redacted]

YELLOW FRUIT then goes into the Department of Justice. There are then certain allegations that are turned over to the Department of the Army for prosecution under the UCMJ, and there are other elements that are retained by the Assistant U.S. Attorney, and then actions continue to go even up to the present time in terms of essentially we are through in the Department of Army and the UCMJ, except for the appellate routines about that.

And essentially we are through with respect to the Assistant U.S. Attorney's case, [redacted]

So that is a short litany of the genesis of the YELLOW FRUIT investigation. When it becomes known about the whole Iran-contra connection, the Secretary of the Army asked me to revisit the YELLOW FRUIT investigation to see if there were any things that should be further pursued, that even though there had been a considerable amount of effort were there some blind alleys in which progress was stopped because of time or press of going to trial or whatever else.

And so in early April of 1987 I reconvened some specific agencies within the United States Army, the CID, Criminal Investigation Detachments, the Army Audit Agency, [redacted] which has cognizance over the implication, and a review of the Intelligence and Security Command inquiry into where did some of the money go, to make sure that we were tracing to find out to the best of our ability where we had preliminarily determined that there was some money not properly inventoried and controlled as it went through the expenditure procedure -- that we go and chase that one more time to see if any of that could have arrived at or been intruded into any of the process of the connection between YELLOW FRUIT and the contra connection.

Q And is this relooking effort or these reinvestigations, is that under your control or supervision?

A That's under my jurisdiction, and we report out weekly and popping up in all of that is the reappearance of Mr. Golden. Mr. Golden reappears in that same time frame on or about 2 or 3 April 1987. He appears as a result of a CBS News inquiry to the Department of the Army Public Affairs Office that says, oh, by the way, we have evidence that Mr. Golden, who was involved in YELLOW FRUIT, is a signatory to a Swiss bank account. What have you got to say about that, Army?

And the Army said we don't know. Apparently they also sold Mr. Golden reports. They also called him, in which case he referred the matter to the Department of the Army. Later Golden calls us and says, oh, by the way, I think I recall signing some signature cards when I was in the YELLOW FRUIT operation.

As a result of all of that, we pursue with some diligence trying to determine if in fact Golden is a signator to accounts in Credit Suisse.

Q And to date have you found any evidence which would confirm that?

A We have not found any evidence to confirm that. [redacted] Now whether that's conclusive or not, I don't know.

Q Is the Army Audit Agency currently taking a look at all offshore bank account usage by Army covert programs?

A No.

Q Are you taking a look at the usage by the Army of any Swiss bank accounts?

A Ask that again.

Q Is the Army Audit Agency, as part of this relooking at YELLOW FRUIT, looking at any and all Swiss bank accounts which the Army does use in any covert operations?

A No. The Army Audit Agency is looking explicitly at an unaccounted for $12 million. We say unaccounted. We have some leads onto it. [redacted] But none of those involve, at the moment, to the best of our knowledge, a connection with any Swiss accounts.

In the case of the larger number it appears that was used in [redacted] that has nothing to do with a Swiss bank account at this moment, to the best of our knowledge.

Q To the best of your knowledge is there any connection between Colonel Oliver North and all of the things that the Army subsumes under the heading of YELLOW FRUIT?

A We have found no connection, no explicit connection or implicit connection between Colonel North and anything to do with YELLOW FRUIT.

Q The same question with regard to Richard Secord?

A The answer is the same with Richard Secord. Now if you ask me, if you produce tomorrow a card which shows it is all connected, you know, it may be, but to the best of our knowledge and based upon all of the inquiries that we have made we have not been able to ascertain that any connection between the Army and Colonel North and the Office of the Army and Secord.

(A discussion was held off the record.)

THE WITNESS: We asked the intelligence people to go out and make a complete audit and inventory of everything overseas, and they have done that. And so it is the Office of the Deputy Chief of Staff for Intelligence that is doing the probing of those accounts which are principally in the [redacted] And so far we have seen no connection between those accounts and anything to do with any of the matters we have discussed today.

BY MR. SAXON: (Resuming)

Q So there is an examination?

A There absolutely is an examination, but the Army Audit Agency isn't in that examination.

Q All right, sir. Thanks for that clarification.

BY MR. SABA: (Resuming)

Q Have you found any connection between what was referred to as YELLOW FRUIT and Richard Gadd?

A I've got to refer to some notes about that because I can't recite that. I believe that I can say to you -- well, let me make sure.

(Pause.)

I believe that I can say to you that the name Gadd appears in work done by our investigative agencies.

BY MR. SAXON: (Resuming)

Q In connection with [redacted]

A Yes. But I can't tell you specifically about that. In other words, I'd have to get [redacted] over here or [redacted] over here or one of those lads to give you the explicit inventory. I just can't personally attest to it.

BY MR. SABA: (Resuming)

Q Do you know if in connection with the $12 million, accountability for which is being sought, Mr. Gadd or his company, American National Management Corporation, is connected or involved?

A I can't tell you off the top of my head, no. I can't tell you that. I'd have to get the people over here from our CID to go into that with you in some detail. I just don't know.

BY MR. SAXON: (Resuming)

Q General Thurman, when you were talking with Secretary Marsh after the Iran-contra affairs became public and he said perhaps we need to revisit YELLOW FRUIT, did he ever make a statement to you that he thought perhaps in YELLOW FRUIT we would find the origins of the Iran-contra affair?

A I don't recall him saying that to me. What he did say and one of the processes I took under way is to try to get a taxonomy of people over time that then might trigger the relationships that were just asked about, about Mr. Gadd, because it could be that the aftermath of the Iran rescue, which then caused the creation of the

Agency's and the U.S. Army, which were classified for the purpose of if we ever had to do this again, that then began the operation of the YELLOW FRUIT that then was terminated.

It could be that some of the names connect in all of that, and so one of the things I have asked my criminal investigation apparatus to do is do a taxonomy over time of the names and the people who pop up in various inquiries so that we could see if there were any connections with what might be termed the origins of YELLOW FRUIT, which are really the residue of Desert One, which then lead into YELLOW FRUIT becoming a cropper and us then taking firm control of our enterprise.

So if you ask me are the names connected with that, yes, there are names that go back and forth in that, but I just don't know the names well enough off the top of my head to give you that. We'd have to bring some information to you about that.

BY MR. SABA: (Resuming)

Q Sir, who would be the best person we might talk to about that?

A I would say the criminal investigation part of our Army would do that, and they are capable of giving you a detail of what those relationships are, or [redacted] [redacted] one of those two people.

BY MR. SAXON: (Resuming)

Q General Thurman, let me ask a specific question about one particular aspect of YELLOW FRUIT. There was a point in, I believe, mid-1983, when Colonel Duncan thought it desirable, Colonel Dale Duncan thought it desirable to move their cell of operation out of [redacted] and operate under a business cover, and in fact that was done, and I believe they located in Annandale, Virginia and took the name of BSI.

A That's right.

Q As a cover. And he appeared to have retired and so forth. We have been told that as that decision to go under cover of BSI and move out of the Pentagon worked its way up for approval that you ultimately signed off on that; is that correct?

A I may have.

Q But you don't recall for sure?

A I don't recall for sure because, you see, I took over in the Vice's job on the 22nd of June, and if the paper came through after that I may have signed it, although it may have been a previous Vice at a previous time. I just don't recall that particular piece of paper.

Q I want to go back for a second to SNOWBALL and

CROCUS. After these matters became public there was a fairly thorough investigation by the Department of Army Inspector General.

A Yes.

Q Into the shipment of HAWKs and TOWs to the CIA for Iran and pricing issues, et cetera. As far as you know, would you agree with the conclusions and the accuracy of the DA/IG report?

A I would. Now there may be some error in the pricing even in the IG report, but in the main I believe the IG report is a fair inquiry into the events.

Q I'm not sure that we would have any evidence to the contrary, but, as you probably know, the General Accounting Office did a review of the same matters and a critique of sorts of the DA/IG, and they reached the conclusion that with regard to four specific pricing matters -- that being specifically the price of the basic TOW, the price of the I-TOW, the price of the MOIC, and the cost the Army charged for crating, handling and transporting to the CIA -- that in all four of those items the Army's estimates and prices were too low.

For the record, the DA/IG agreed on three of those four that the GAO cited. Is it simply coincidental or to you is that curious, or how should we react to those data?

A I don't have any particular reaction to it. Auditors are auditors and when they get in there and count the numbers if there's a mistake I think in the case of the Inspector General of the Army it is probably a legitimate, honest mistake about it. We asked him to do the very best inquiry that he could. We put some pressure on him to do a reasonable time line of effort about that. If he missed something in the pricing, I don't think it was willful negligence on his part.

Q I'm not suggesting that the IG report was deficient. I'm saying that the DA/IG concluded that on three discrete pricing items the Army came in too low. The GAO said it wasn't three; in fact it was four. But, in any event, they both agreed that on those matters where the Army had to make a judgment about price it came in too low, and I simply ask the question, going back to my earlier question to you when we first began about low balling or pressure to come in at a low price --

A Okay. I understand the context of the question. Again, I believe the IG fairly represents what the young action officers in the system say and, to the best of my knowledge, nobody in the Army was pressured about low-balling the numbers. So as I understand the inquiry, yes, the Army did make an inaccurate determination of cost and clearly in the build-down sequence of improved TOWs to make them basic TOWs obviously their pricing was in error.

I think all of that was done not necessarily with malice aforethought, but more through the rapidity of the action or inattention to what we were doing.

Q Is it possible those mistakes came because this was too close a hold and people who would have normally had tha expertise were not included?

A Probably.

Q Do you have any knowledge of any involvement that Mr. Noel Koch may have had in pricing decisions with regard to TOW missiles?

A Absolutely not.

Q Do you have any knowledge of any involvement that Dr. Henry Gaffney of DSAA, the Defense Security Assistance Agency, would have had on questions involving HAWK missile shipments to Iran?

A I am not aware of that.

Q Would you have any awareness or knowledge of involvement by Glenn Rudd, the Deputy Director of DSAA, with regard to TOW missile pricing?

A I'm not aware of that.

Q General Thurman, you have had a distinguished military career and in the number two position in the Department of the Army for uniformed personnel. As you look back on the Army's involvement with SNOWBALL and CROCUS, are there any lessons that you could offer for our Committees on how to do it or how not to do it?

A Well, I guess the answer in retrospect is to, one, obey your civilian masters and be responsive to them. Two is to make sure that it is carried out with -- that any operations that are carried out are carried out in the complete context of complete staff work, and if there's a lesson in it from hindsight it may be that we did not do enough staff work on those two particular items.

Q But it would seem, then, that your first lesson and your third lesson are in conflict, because you probably didn't do the staff work because you were obeying your civilian leaders.

A Nobody said take any shortcut approach to pricing. Nobody said take any shortcut approach to correct staffing processes. So if there's a lesson in that I would say that the lesson in that is be more careful in doing the staff work.

In the end game you may be still shipping TOWs someplace that the high command, national command authority, chooses to have you ship them to.

Q For the record, I ask this question with regard to you personally, but let me ask it with regard to all of your Department of Army counterparts, excluding General Powell, who wore an Army uniform but was acting in his capacity as the Military Assistant to the Secretary of Defense. As far as you know, did anyone at the Department of the Army know these missiles were going to Iran?

A To my knowledge, nobody knew that.

Q If you had known that when General Powell called you on 18 January and said, sir, not only should you be prepared to ship 1,000 missiles, but we're going to give them to the CIA and they are going to ship them to Iran, what would have been your reaction?

A I think my reaction to that would have been to issue the be-prepared order. Then I would have been in some conversation, more fulsome, with the Chief of Staff of the Army to make sure that he was informed that they were in fact going there, and that would have probably caused us to do a considerable amount of legwork about that.

Now shipment isn't going to take place until we go clear it with the Secretary of the Army, so having known the destination and having known what the current status was with respect to embargoes and the like, then I'm sure that when that came up as a matter of information to the Secretary of the Army there would have been yet a considerable amount of debate about that further as to the ultimate course of whether they would have been shipped or not.

I am not competent to tell.

Q Sir, you mentioned embargoes in place. Am I correct in saying that at the time there was an embargo against arms shipments to Iran by the United States?

A Well, I don't have the time lines on that, but as far as my recollection is there were.

Q And in fact were we not pressuring our allies for them not to ship arms to Iran?

A As far as I know, we were. That was at least the open policy.

Q We will be asked -- I say we meaning the respective House and Senate Committees and the Members, and perhaps even in the recommendation from the staff to the Members -- to make recommendations about any requirements for change, whether it be procedures, Executive Orders, regulations or new legislation.

At this point in the look-back on the Iran-contra affair and particularly in terms of the Department of the Army's SNOWBALL and CROCUS, do you have any recommendations you can pass on to us which we should pass on to our bosses?

A Well, I would commend the [redacted]

[redacted] in terms of having a central referee organization that reports only to the Office of the Chief of Staff and the Office of the Secretary of the Army to assure that there is appropriate civilian oversight into matters, some of which we have discussed today.

That is helpful to the civilian leaders. I think it would be particularly helpful to have that institutionalized as it is in the Army. That's not to say we are perfect. In this case we had a breakdown, but if the procedures had been followed to their fullest there would probably have been less chance of breakdown, although they could still have been shipped wherever they were shipped.

But at least it provides the forum under very tight control that would also transcend administrations. In other words, this process could be then institutionalized. Now whether the Secretary of Defense regulatory matter is sufficient about that or whether there is a statutory obligation about that, I don't know. But in the main it is a good thing that we did that, because we now have a more substantive handle on it.

That is not to say, though, that there are not forces at work which would try to bypass that, and I think you have to be careful in the Federal statutes that in the creation of the Special Operating Forces commands, which are currently extant by the most recent reorganization act of the Department of Defense, that you do not bypass the Secretaries of the several services when included in the legislation is a notion that the commanding officer or the commander in chief of the Special Operating Forces has his own budgetary allocation.

That sounds a little complicated. So if you would like for me to explain that a little bit more, I would be happy to.

Q Please.

A At the moment forces are allocated by the several services to the gaining commanders in chief. In the enthusiasm to empower the commanders in chief in the field with more responsibility and to give them more control and authority over the forces assigned to them, there has also run along on that track some notion of apportioning forces by the commanders in chief in the field, which, if carried to their fullest, might then conflict with the responsibilities of the Secretaries of the several services to discharge their overview of their individual services.

So let me hypothetically set that up. You could be running a clandestine operation that has the clandestine person who is trying to carry out the clandestine activity move -- I'm talking about a legitimate clandestine operation, one that has all the approval authorities and all of that -- but he moves from one theater of operations to another and therefore the jurisdiction goes from one commander in chief in one area of the world to the jurisdiction of another commander in chief in another area of the world.

And if you carry to extreme the notion of territoriality, then you could get the notion that the clandestine handoff might cause a gap which is better handled by the Department of the Army with its global responsibilities. So, therefore, in the [redacted] or the like, or in the Special Operating Forces which we supply to the commander in chief of Special Operating Command, or to gaining commanders in chief in the Pacific or in Europe some of that fund control, that oversight you might want to keep requisite at the Office of the Secretary of the service, each principal service.

Now in the legislation that is currently extant in the most recent reorganization act of 1987 states that the fund controls for special operating forces shall be by the commander in chief of the force and so there is some ambiguity in the law that at the present time we are trying to work out inside the Department of Defense.

But I would just suggest to you that as an aftermath of all of that the [redacted] has really served us very well because it serves as a central repository [redacted] that provides us careful command and control by the Office of the Secretary of the Army.

So I think the lesson out of it all is we do need a central repository and you ought to use it.

Q Sir, I only have one more question or perhaps one more line of questions. You work under and for the Chief of Staff of the Army and in his absence you are the Acting Chief of Staff of the Army.

A I am.

Q So I assume you would be familiar with the operations of the Joint Chiefs and the Joint Staff?

A I am.

Q For what it's worth, Admiral Crowe, the Chairman of the Joint Chiefs, did not find out that we were shipping TOW or HAWK missiles to Iran until mid-1986, in late June or early July. He not only did not know about it prior, had not been informed, not been apprised, not been asked for his advice or his input with regard to shipping arms to a country, as you say, that was on the embargoed list, where we were pressuring our allies not to ship arms to that country -- that country was involved in open hostilities with another country in a war in which we had professed our neutrality; in fact, it's not inconceivable we ourselves could find ourselves in hostilities with Iran.

So here is our top man in uniform not knowledgeable and not consulted. If I can ask you for your opinion, sir, is that the way we ought to do it?

A I would recommend that the Chairman of the Joint Chiefs be apprised of those types of actions.

Q So a close hold shouldn't be so close it would exclude the Chairman of the Joint Chiefs of Staff?

A I would think that any activity that goes on within a military department ought to be privy to the Chairman of the Joint Chiefs.

MR. SAXON: That's all I have. Maybe my colleagues still have something.

BY MR. SABA: (Resuming)

Q In the period roughly May 1986 did another agency ask for your agency's assistance in extracting the hostages from Lebanon?

A I think that is a matter you will have to take up with the Chairman of the Joint Chiefs of Staff.

Q Sir, does the term DRAGON NEAT missile mean anything to you?

A Tell me that again.

Q DRAGON NEAT, two words -- D-r-a-g-o-n, space N-e-a-t.

A DRAGON I know. NEAT doesn't ring a bell. I mean, DRAGON is an anti-tank missile, hand-held, sort of small missile used by the U.S. Army and the U.S. Marine Corps. But DRAGON NEAT doesn't ring any bell.

Q Could it be DRAGON HEAT?

A DRAGON HEAT?

MR. KREUZER: DRAGON HEAT?

THE WITNESS: DRAGON HEAT? It could be DRAGON HEAT, HEAT being High Explosive Anti-Tank.

BY MR. SABA: (Resuming)

Q Sir, do you have any knowledge of any request from another U. S. agency for a transfer of those missiles in 1986?

A I don't recall, but there may be.

Q Do you have any recollection in the period 1985 or 1986 of any transfer of DRAGON missiles to a third country outside of the usual FMS system?

A I just don't recall off the top of my head. I'd have to go back and research the records. I just don't recall it. That's not to say there wasn't any; I just don't recall it.

MR. SABA: All right. I have no further questions.

EXAMINATION

BY MR. KREUZER:

Q Sir, if I may, I'd like to go back and discuss a little bit about what you were talking about earlier. It's my understanding that what used to be REDCOM is going to be the new Special Forces Command or there is going to be a new --

A It's going to be retitled.

Q So what we were talking about earlier, it will be the Special Forces Command?

A Yes.

Q So would that be headquartered, say, in Florida and the commander in chief would be there?

A That is correct.

Q So they will be building some units. Would they be sort of like the equivalent of maybe the Soviet Spetznatz kind of --

A Oh, the units are already built. The units are already built [redacted]

Q So we have all these folks like we did before, [redacted]

A That's correct.

Q [redacted]

A

Q

A That's right.

Q So in case of, say, an emergency, probably the kind of a quick reaction kind of operation, maybe something like that 18th Airborne Corps operate on the same quick reaction to an alert situation to move out to a trouble spot or something like that, or are these going to be chopped to U&S Commands around the world?

A The way it is structured is all of the peacetime operation of the commander in chief of the Special Operating Command will do the peacetime training, and then in either peace, during exercises, or in the case of hostilities he would chop those forces to the gaining commander, who is the theater commander -- Europe, Pacific, SOUTHCOM, LANTCOM, those various commanders.

The commanders in chief of those particular regions would have those forces chopped to him. In other words, he is a provisioner of forces.

Q Are they going to more or less have their own type exercises or are they going to climb aboard some of the JCS-sponsored?

A They would go aboard JCS-sponsored exercises.

Q So to expand a little on what we were discussing before, I'd like to get it clear these commanders in chief of the U&S Commands would be gaining these special units from time to time.

A That's right.

Q And will these special units have a lot of unilateral authority to act?

A No. They would act under the authority of the gaining commander in chief. So the peacetime training is under the commander in chief at Tampa. When it is committed for wartime use, then they are committed under the auspices of the commander in chief overseas and they do not have autonomy at that time. They fall underneath the command and control of the overseas gaining commander just like all of the forces.

In other words, you take a division out of the United States and you ship it to Europe, it comes under the operating cognizance and command and control for all of its livelihood under the gaining commander in Europe.

Q So in consideration of these points you were pointing out earlier where we have to watch for control of not only materiel but personnel who are involved here?

A Look. What I was trying to explain is in peacetime you may have an intelligence-gathering operation that is centrally directed. It may be a result of a Presidential Finding that begins then to go between geographical regions of the country simply because you are following the intelligence lead as it goes from one area. The man may be in Bern, Switzerland tomorrow and the next day he may be in Warsaw, the next day he may be in Tokyo.

Well, when you have done all that you have moved through several geographical regions, and all I'm saying is that I think the system is well served in its present mode -- that is to say where the Secretary of the Army, [redacted] retains centralized control and observation of all of that, even though the man may move geographically from point to point.

Q Even while he is chopped, going through different units, commands?

A I'm trying to make the distinction between some of the implied authorities that are associated with the most recent changes to the law, which says that an intelligence operative might be in Switzerland and therefore be expected to report to the CINC/EURA, let's say, if he's an Army military guy, and he may do that, but you want the continuity of operations so that the CINCs, between the two of them, don't come to disjointed action with respect to the oversight that we have just been talking about for two hours.

Now that's complicated, and it is not clean. All I am saying to you is as you look at peacetime operation you, where you may find there is some gaposis, the saving grace at the moment is that you have the Office [redacted] that has total cognizance of everything about that, and there could be an opportunity for falling through the cracks in the floor if there is not a central cognizance point which in our case is located in [redacted]

Q So that second string will always be from the [redacted]

A I would hope so. All I'm saying is there is some ambiguity in the current law.

Q I understand the concept now.

A That you asked me for, and I did no

preparation work for. I gave you a spontaneous response. But based upon what I know of what goes on in the black program world, when you consider the totality of it -- research and development, special operating forces, [redacted] and the like -- all of those processes we now have a stranglehold on that in the Office of the Secretary of the Army. I would say you would not want to give that up through ambiguity in the law.

You asked me what I thought, and that's what I think. Now other lawyers, other commanders, other Vice Chiefs, other Secretaries, might take a different view of that, but you asked me what my opinion was, and I think that the lesson of all of this is you want some centralized control because even as we sit there may be people who think they are doing the government's business honestly and legitimately, who make a telephone call to Ziggy Belcher in some remote place that starts a particular chain of events going, all thinking that it is authoritatively approved.

So the point about it is we have now invoked a system, at least in our place, where it's all got to go through central referral. So I believe that is something that we have learned that would stand us in good stead as we proceed down the line, and I believe the Secretary of the Army is comfortable with it.

MR. WINCHESTER: Can we go off for a minute?

(A discussion was held off the record.)

BY MR. SAXON: (Resuming)

Q General Thurman, a few minutes ago you were talking about the centralizing process and you said that we need a single repository for review and you said that would be the [redacted] As we understood your comments, you were specifically referring, though, to the office that would administer that, and that central repository [redacted] is that right?

A That is right. The notion is a central referral point, and we call that the [redacted] an office like that where all the actions pertaining to [redacted] or whatever in a centralized management office [redacted]

MR. SAXON: General, we have nothing further. Let me simply say for the record that we appreciate the fact that you have appeared here voluntarily and have been very candid with us. You have allowed us to interview you previously. We have got nothing but the utmost of support and cooperation from the Department of the Army, from Secretary Marsh and General Wickham on down, and Mr. Winchester and Colonel Wallace, and we want to thank you and all of your people.

THE WITNESS: We will be happy to respond to you in any way we can.

(Whereupon, at 4:51 p.m., the taking of the instant deposition ceased.)

____

Signature of the Witness

Subscribed and Sworn to before me this ____________ day

of ____________________________, 1987.

____

Notary Public

My Commission Expires: _________________________________

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CERTIFICATE OF REPORTER

I, Michal A. Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by ME; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer
NOTARY PUBLIC

My Commission expires: 2/28/90

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HSIS-75

DEPOSITION OF STEPHEN S. TROTT

4258

Thursday, July 2, 1987

U.S. House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D.C.

The Committee met, pursuant to call, at 1:30 p.m., in Room 2226, Rayburn House Office Building, with Pamela J. Naughton (Staff Counsel of House Select Committee) presiding.

Present: Kenneth R. Buck, Assistant Minority Counsel, on behalf of the House Select Committee on Covert Arms Transactions with Iran; W. Thomas McGough, Associate Counsel, on behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

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by N. Menan, National Security Council

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Whereupon,

STEPHEN S. TROTT

having been first duly sworn, was called as a witness herein, and was examined and testified as follows:

EXAMINATION

MS. NAUGHTON: This is the beginning of the deposition of Stephen Trott. My name is Pamela J. Naughton, House Staff Counsel to the House Select Committee to Investigate Covert Arms Transactions with Iran.

If the people in the room would please identify themselves?

MR. McGough: Tom McGough, Associate Counsel to the Senate Select Committee.

MR. BUCK: Ken Buck, Assistant Minority Counsel.

THE WITNESS: Steve Trott, Associate Attorney General, United States Department of Justice.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Mr. Trott, are you represented today for purposes of this deposition?

A No.

Q Do you wish to have counsel?

A No.

Q Now, could you give us just a little background in terms of your career after graduating from law school?

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A Between 1966 and 1981, I was the Deputy District Attorney for the County of Los Angeles, serving at various times as the Head Deputy of the Organized Crime and Narcotics Division, and Chief Deputy District Attorney.

In 1981, I became the United States Attorney in Los Angeles for the Central District of California. In 1983, I became the Assistant Attorney General in charge of the Criminal Division in the Department of Justice here in D.C.

Last September I was elevated to the position of Associate Attorney General of the United States.

Q So that is September 1986?

A Yes.

Q Excuse me, when did you become Assistant Attorney General?

A 1983. Summer of.

Q Mr. Trott, it is my intention to just ask you some questions in some limited areas and not go over all of the things we went through before.

A Sure.

Q For purposes of the deposition I would like to start with the case in Miami, which has been named several things, started out being the Garcia case, and also known as Corvo, and so forth. It involves allegations involving the neutrality act and gun running to the Contras, and so forth.

Do you know of which case I am speaking?

A Yes, generally I do.

Q Could you tell us when you first became aware of this case?

A No, I really can't without any documents to refresh my recollection. I can't even come close.

Q Do you recall when -- there came a point in time in the case in which the Assistant U.S. Attorney and a couple of FBI agents went down to Costa Rica to interview people in prison there?

Do you recall if you learned about the case before that?

A Yes, before that. Leon Kellner talked to me a number of times about the case, just essentially describing what it involved and what was going on. Later on complaining bitterly about the media and people making allegations of misconduct on his part.

Q Did you first hear about the case from Mr. Kellner or from someone at main Justice?

A I couldn't be able to even guess what the answer to that is. I just don't know.

Q Correct me if I am wrong, I believe last time in the interview you mentioned that you had spoken about the case with Mr. Jensen?

A I have spoken to Mr. Jensen about it, Mark Richard about it, I read about it in the newspaper. But I have no current recollection as to the very first person from whom I heard about the case.

Q Do you recall if you spoke to Mr. Jensen about the case prior to the FBI agents going down to Costa Rica?

A I must have, but again I have no current recollection of the time sequences on this.

Q Did you or Mr. Richard prepare any memoranda for Deputy Jensen?

A I don't believe so, and I asked Mark recently about that, and all he did was provide to me a memo that the FBI had prepared for Mr. Jensen. I think it was from the FBI to the Deputy Attorney General, who would have been Mr. Jensen, and attached to it was a note from me to Mark saying, indicating that Lowell wanted Mark to keep an eye on the case, something to that effect. I am sure you have the note. I do in my office. I should have brought it.

Q Were you given a copy of this FBI memo?

A At the time, for my own files, I don't think so, but I did see it.

Q Do you have it with you now?

A No, it is in my office.

Q Would you be kind enough to provide a copy to the committee?

A You have never seen that memo?

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Q No, no. I have never seen that.

A Okay. I can probably get it over here right now, if you let me use the phone.

Q That would be fantastic.

Off the record.

(Discussion off the record.)

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Do you recall when you read the memo, whether it be then or now, if it made any reference to the National Security Council or to Oliver North?

A I have not read it in a long time. I just got it this morning for the purpose of reading it, but I didn't read it, so why don't we wait until it comes over and you have a copy of it.

Q Okay.

Do you know what Mr. Jensen did with the memo?

A From my own personal knowledge, no, although I believe he may have used it to brief somebody in the National Security Council, but that is just a sense that I have. I wasn't there, as I say, I don't know specifically what he did with it.

Q Were you aware that he had received an inquiry from the National Security Council about the case?

A I think I have learned subsequently that he did.

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Q Do you know who at the National Security Council made the inquiry?

A No, I don't.

Q Do you know who it is that Mr. Jensen briefed at the National Security Council?

A No, I don't. As I say, I was not with him.

Q Were you aware at the time that he was going to brief someone at the National Security Council?

A No, I don't believe I was.

Q When did you learn that?

A It has to have been some time after all the fur started to fly.

Q How did that come up?

A Well, I was generally aware of this case, but not paying that much attention to it. It was something that was on my radar screen, and I know Lowell was aware of it, and he asked me to ask Mark Richard to keep an eye on the thing, which is standard operating procedure whenever you had a case with those international ramifications to them. But it really started to surface on my screen when the allegations started to come out that either Jensen or Meese had said something to Kellner in the nature of, manage the case so that nothing happens with it. That is when Leon Kellner went ballistic and was just furious and called me up, and mad as hell, and told me that nobody ever said

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anything like that to him and he was sick and tired of the BS and blah-blah this and blah-blah that, and he only talked to Meese on a couple passing occasions about it, and Lowell may have inquired as to the status of it once, but that is it. That is when I really began to track that there was something involved in the case, more than just the usual case.

Q Did you meet with Mr. Kellner in August of 1986? If I can refresh your recollection, he brought with him some affidavits in your civil law suit.

A August 1986?

Q Yes.

A Don't you have a better date?

Q It would have been latter August?

A I remember meeting with Leon in my office on a couple of occasions. I guess the record ought to reflect that I have my appointments book before me for the year 1986, which you are welcome to look at, if you want.

I don't show anything in my book. I do have a hazy recollection of meeting with Leon on the case when, but I don't remember when. I can check my phone logs.

If this is wasting your time or taking -- here is a call from Kellner on August 4, at 11:44 in, 1:45 out, so I talked to Kellner August 4.

Here is Kellner August 5. That may have been just a call in, I don't show -- no, wait, that is out.

Q Well, the timing is not that critical for purposes of my question.

A Okay.

Q My question, I guess, is simply in relation to a summer conversation with Mr. Kellner or visit from Mr. Kellner, did he ever express to you any concerns about any -- any political concerns about the Garcia,or that politics were involved,or any statement about the substance of the affidavits and Senator Kerry?

A Leon Kellner never told me that somehow politics were influencing his decisionmaking. To the contrary, he at all times stated he was making all the calls on the case based on the facts, based on equity, on the interests of justice, and I am repeating myself, but he was mad as hell that people were insinuating that something else was happening in the case. So many people -- he beefed to me that some of Kerry's people were mucking around in it. But that was about all.

Q Did you know or did you ever hear of anyone at the Department of Justice telling Mr. Kellner to slow down on the investigation?

A No.

Q Did you brief Mr. Jensen on the investigation when it first came to light?

A If I did, it was no more than 30 seconds. I

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may have told him that there was a case down in Miami involving allegations of gun running and things like that, but nothing in detail.

Q Did you ever brief the Attorney General on the case?

A I have no recollection of ever briefing the Attorney General on it.

I am hesitating -- I don't even know whether I have talked to him about it after. I very well may have told him at one point that Kellner -- very well may have mentioned in Lowell's presence that Kellner was mad that people were insinuating that something was funny in the case.

Q Do you recall what either the response of the Attorney General or Mr. Jensen was?

A No. There was no notable response.

Q Did you ever speak to anyone from the National Security Council about this case?

A Who from the National Security Council -- North? no. I don't think I have ever spoken to Poindexter or McFarlane ever.

Who else, can you give me some names? I don't think so.

Q Those would be the main ones we would be interested in.

A No.

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Q Did you ever speak to Buck Revell about this case?

A Buck Revell about this case?

I must have. I must have, but I don't remember.

Q Did he ever mention to you briefing anyone at the National Security Council?

A No.

Q I think those---

A If he did, I don't remember it.

Q Those are the only questions I had on that area.

I will leave it to my colleagues to follow up, if they want to.

MR. McGOUGH: Do you want to do that at this time?

MS. NAUGHTON: It might be best.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q Mr. Trott, I recognize you don't remember exactly when Kellner or the Miami investigation came to your attention, or who brought it to your attention. Do you remember why?

A I very well could have read about it in the newspapers for the first time.

Q But do you recall why it was brought to your attention?

A No, it came to my attention in no different way than the kinds of cases that happen in the Department of Justice come to my attention.

Q I believe you said that he---

A Nothing sticks out in my mind.

Q I believe you said that you had learned subsequently that Mr. Jensen may have received an inquiry from the NSC; is that correct? There was a series of questions where you were asked if Mr. Jensen used the memo to brief the NSC,and I believe you said that you thought that was the case, but you didn't know from personal knowledge?

A Right.

Q You were asked whether you knew -- whether Mr. Jensen had received an inquiry about the case from the NSC and I think you said you learned subsequently about such a contact?

A I think so, but these are things to which I was not a witness.

Q Do you remember how that might have come to your attention?

A I think that didn't come to my attention until after this investigation started last fall, when all the information started to float around. I don't believe I had any information as to that at all, until long after the fact.

Q What information did you receive about that?

A You mean after the fact?

Q Yes, after the fact. What were you told?

A Somebody told me, I think it may have been Mark Richard, that I had a note on one of the memos asking him to keep an eye on it, and I got that. That is what I am trying to get over here, so I can show you the note that I wrote. It probably has a date on it. It would reflect the conversation that I had with Lowell, where he asked me to have Mark keep an eye on it. Mark Richard is the guy who would watch those kinds of things in the ordinary course of the Department of the Justice.

Q And what about that led you to infer or conclude that Mr. Jensen had had an inquiry from the NSC?

A Mark may have said something to me about it. I don't know. I have talked to Mr. Jensen about it since the thing came up, came around. But I think he told me he may have had an inquiry from the NSC. I didn't ask him any great detail about how the memo came to be, but I am pretty sure he told me he may have had an inquiry. I am not positive of that.

Q I know we are going to get it ultimately, but just for the sake of contextualizing my questions and not breaking up the continuity, do you remember the date on the note, or was there a date on the note to Mark Richards?

A I didn't look at it this morning. It is the only thing I didn't bring over here -- wait a minute. Let me triple-check something -- No, it looks like it didn't come in this.

Q It will be over here, I just wondered if you had noted that?

A No, there are two of these and it is the other one.

Q You mentioned that you had a conversation with Mr. Jensen in which he may have indicated that he had gotten an inquiry from the NSC. Do you remember when that conversation took place?

A A couple months ago.

Q What was the occasion for the conversation?

A I talked to him periodically, he and I are very good friends, and I call him up and I tell him, for example, the Hamadei case isn't going well; a lot of stuff he worked on when he was in the department, and I think it was the occasion of he told me that, I guess, this committee was coming out to talk to him about it.

As a matter of fact, he told me that yesterday again when I was talking to him, that you were on your way out there next week to talk to him about it.

Q Did he indicate who at the NSC may have inquired about it?

A I don't recall. I didn't get into it in any detail at all.

Q I notice you were referring to your telephone logs?

A Yes.

Q While we have them in front of us, do they reflect a call to or from Leon Kellner on April 4, 1986?

A No, I looked at that before I came over here because it is in a letter. April 4, 1986, right?

MS. NAUGHTON: For the record, the committee sent a letter to the Department of Justice recently asking for a telephone log or logs.

THE WITNESS: Yes, you can look at all this stuff if you want.

It has driven me crazy. Here is March-April 1986. You want April 4?

MR. McGOUGH: April 4, yes.

THE WITNESS: Absolutely crazy. If I ever leave the government, I won't come back simply because I am never going to go through this again.

MS. NAUGHTON: When you have to rule on discovery issues, you will be in empathy with the parties.

THE WITNESS: Here is April 1986. I went over this with my secretary. This is not her regular writing, but you can see -- wait. I am showing you March 31, Dr. Mark, a personal friend. Steve McMee, U.S. Attorney in

Arizona, and Art Grubb, used to work for the organized crime unit. Up here, you have Darryl McIntyre, White House tickets -- Assistant U.S. Attorney in LA, coming back to Washington and wanted to visit the White House.

Judy Freedman; Steve Sullivan, the AUSA in LA. Pete Nunez, U.S. Attorney in San Diego. Meulenberg, DOJ lawyer; Doug Bailey, Charlie Heitiger, worked on the Hill; Bob Werthein, then back to April 2.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q This is the entry for April 4?

A Yes.

Q Can you tell me a little bit about how these logs are compiled?

A Usually my secretary, who is working there, makes notes of incoming and outgoing calls. These are not complete. She misses some on occasion, and I must admit I am bad, sometimes I make calls and don't tell her. Sometimes I pick up the phone myself and answer it myself.

Q So these would be calls which she was directly related. She placed it or received it?

A Yes. As I say, these are not -- this is not her handwriting either, this is somebody else's handwriting. But this is her's starting here. There are a lot of Kellner -- some Kellner calls in here around that date.

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MS. NAUGHTON: Could you, while you are there, check April 11?

THE WITNESS: Sure.

Mark Richards, Gerry Martin, DiGenova, so on. McGinnis; the garbage call; Jack King; Tom Greelish, Doug Bailey; Gary Shone; Buck Revell. Tnen it goes to the 14th.

Was that a Friday, the 11th?

Anything else?

MS. NAUGHTON: No.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q Not on the telephone log, I don't think.

Am I correct, did you not make the trip with the Attorney General, with General Meese, and Mr. Jensen, when they visited the wounded FBI agents in the hospital in Miami?

A I made the trip, but I went a different way. That was the Cancun trip; right?

Q That is right.

A I went to Florida and they went somewhere else. I was down there when they met with the Mexican people.

Q Did you ever discuss the case of the investigation you are referring to with anyone else in Mr. Kellner's office, other than Leon Kellner himself?

A He has a woman who is a press officer, something like that.

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Q Ana Barnett?

A Yes, I may have talked to her about some part of the stuff that was going on, but it was nothing of substance. And the lawyer that everybody is worried about, what is his name?

Q The assistant on the case?

A Yes, who supposedly wrote the memo?

Q Mr. Feldman.

Q I don't know him. I have never talked to him.

Q How about Mr. Gregorie?

A I don't think so.

Q Mr, Sharf, or s-h-a-r-f, or s-c-h --

A Jerry Sharf?

Q Yes.

A No.

Q You know him?

A I knew since Philadelphia.

Q But you haven't spoken to him?

I think it is Larry Sharf.

A Larry Sharf, that is right; yes. I haven't spoken to him since Philadelphia.

Q Did you ever see the memorandum sent by Mr. Feldman to the Justice Department, sent over Mr. Feldman's signature, and sent by Mr. Kelner to the Justice Department?

This would have been about a 20-page memorandum, dealing with the case?

A I have seen all kinds of stuff from it, after the fact. Again, when all this investigation started, mostly in the newspapers, but I don't think I have -- no, I don't have a recollection of it, at least.

Q Did you ever request such a memorandum from Mr. Kellner?

A I don't believe so.

Q Do you ever recall discussing with Mr. Kellner the advisability of going to a grand jury with any evidence in the case?

A Prospectively?

Q Prospectively. In other words, discussing with him whether or not the case should go to the grand jury?

A No, but I think at various points he has told me that he was going to handle it right, and it was going to go, when he decided it was going to go, but this may have been a lot of yelling and screaming that he was involved in, after he got so mad that people were accusing him of misconduct. But I don't have any recollection of a meeting during -- wherein we discussed the advisability or the timing of any grand juries.

Leon, as far as I was concerned, was making all the decisions himself, down in his office. The only thing I have ever told him was I agree with you, Leon, keep doing it right.

MR. McGOUGH: I think that is all I have.

THE WITNESS: Have you deposed him, or talked to him about this?

MS. NAUGHTON: Yes, we have.

THE WITNESS: Was he calm?

He wasn't calm when I talked to him.

MS. NAUGHTON: Probably relatively.

MR. McGOUGH: That is all I have.

MR. BUCK: I don't have any questions.

MS. NAUGHTON: Okay.

Moving right along, now I would like to get into the Iranian arms transactions and your involvement in the investigation.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Prior to the Attorney General's press conference on November 25, 1986, did you have any contact with the legal analysis of the Iranian arms transaction or investigation?

A Absolutely none. I never -- I had never heard a word about any of that until the press conference. The whole thing came as new information to me as I was watching it on television.

Q Certainly you were aware that the United States had sold arms to Iran before that?

A I was?

Q Well, the papers had printed stories up until then that there was an Iranian arms sale, it wasn't until the Attorney General's press conference that it was stated there was a diversion to the contras.

A That is probably so, from the newspapers. But I had not paid any attention to that at all.

Q Well, let me ask it this way. The Evans case in New York arose about that time, and the defense apparently brought up the issue that perhaps these were government-sponsored shipments and should not -- and therefore, the indictments should be dismissed, and the government had to respond to that.

This is in the time frame of mid-November, early November 1986?

A I do know about the Evans case, you are right. So, hang on a second. You are probably right. I did know about the Iranian arms sale -- I knew about it when it became public, but in any case, I didn't know about it beforehand. You are right. The whole contra thing, I didn't know anything about it until it got on television. Whenever the whole thing got public, yes, I knew about it. But from having read about it in the newspapers, not from any information I received as a member of the Department of Justice.

Q Let me ask you about that Evans case for a minute.

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When the request came in from Mr. guiliani's office to somehow certify that his case had nothing to do with the government-sanctioned Iranian arms sales, were you involved at all in those discussions?

A Yes, I talked to Lowell about it, and Mark Richard about it, and there was concern that we get accurate information and I am pretty sure we talked to the Attorney General about it, and we eventually got back information from someplace, I don't know where, that there was no connection. That the Evans case was quote "clean."

Q Did the Attorney General take this to the National Security Council?

A I never asked him; I don't know.

Q He didn't mention to you that he was going to speak to Admiral Poindexter or anyone else?

A He may have. I have a vague recollection of some talk about Poindexter being involved in it. Mark Richard probably has a better recollection of this than I do.

Q Was Mr. Weld involved in these discussions at all?

A I think so.

Q Was it ever expressed to you or in your presence that perhaps the Attorney General shouldn't involve himself in gathering the facts?

A Shouldn't?

Q On these issues?

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A Gather the facts on what issues?

Q On the Iranian arms sales issues?

A You are broadening the whole thing now?

Q I say either in the context of the Evans case, or in the context of the government-sanctioned NSC arms sales?

A Not until I told him after the news conference, and I can find specifically in my notes that he may appear to be a fact witness, and that was one thing that should be taken into consideration in the independent counsel decision. That is the only time that I was ever involved in something that sounds like that.

Q Okay. Okay.

A I can probably pinpoint that in my notes, if you care to have me do that. You have a copy of this; don't you?

Q We just got it last night. I want to get to that later, but I want to lead up to the press conference, if I may.

The week before the press conference, say, starting from November 16, and on, were you in Washington at the Department of Justice during that week?

A I left that week to go to Connecticut, but I was there, let's see, I was there the 17th, I was there the 18th, I was there the 19th, I was there the 20th, and I was there the 21st, and I left at 3:59 p.m., on U.S. Air for Hartford, Bradley, Springfield. I was gone on the 22, and I came back on the 23rd.

Q 23rd is a Sunday?

A Yes.

Q Now, prior to November 21, then were you aware that Assistant Attorney General Cooper and the Attorney General were participating in the drafting of Mr. Casey's testimony before the House Intelligence Committee?

A No; here are my calendars; copies of my calenders, by the way, if you want them for the times I just referred to.

Q May we keep those copies?

A Yes.

MS. NAUGHTON: If we could mark these---

THE WITNESS: 21 through 29. You are welcome to take a look at the originals I have with me, if there is any part of that that is blurry.

(Exhibit No. SST-1 was marked for identification.)

THE WITNESS: Here is December 1 to December 31, unredacted.

(Exhibit No. SST-2 was marked for identification.)

MS. NAUGHTON: Let the record reflect that Deposition Exhibit No. 1, includes the November dates of the 21st through the 30th; and the Exhibit No. 2 represents December 1 through the 31st of December.

THE WITNESS: Then you have a copy of the chronology notes that I kept between November 25 and the beginning of the year? That is what that is in your file?

MS. NAUGHTON: Yes, we do. We got these last night. So long as we are on it, let me ask you one question about.

BY MS. NAUGHTON:

Q Were these made contemporaneously,or after this had all happened and you went back to reconstruct?

A Both. You will see the first entry says, reconstruct, 11-28. Shortly after this whole thing started I began to keep this notebook, and it was on November 28 that I started to do that, and the first entry was November 25.

I went back and reconstructed for the 25th, and everything up to the 28, then they were kept pretty much contemporaneously. Sometimes I would write it as it was going on; other times, 10 minutes later, one minute later, two hours later; but I was trying to keep up with what was going on. Also, I have a typed copy of that, too, which is a lot easier to read. My handwriting is impossible.

Q Would it be possible, during a break in the deposition, for us to make a copy of the typed version, because in going through your hand-written version -- we can make a copy of this?

A Sure.

Q Thank you.

A I think that is accurate, that is a typed copy that I just handed you.

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Q We appreciate that very much.

I had a little difficulty this morning.

A You can't believe how long it took us to do that. My secretary tried it the first time, it must have had 4000 errors in it.

MS. NAUGHTON: Off the record.

(Discussion off the record.)

BY MS. NAUGHTON:

Q Back on the record.

Mr. Trott, you just said that you had recovered the notation that you made to Mr. Richard regarding the Garcia case, do you want to tell us what that is?

A I just talked to my secretary. She pulled it out of my box, and read me a note dated March 24, indicating that it was a note that I sent to Mr. Richard, indicating that Lowell Jensen was going to give a briefing to the NSC on the whole matter; and that file is on its way over right now.

Q Thank you.

And, therefore, I would assume that if you put the note on there, you knew that Mr. Jensen was going to go to the NSC?

A Yes.

Q When you wrote the note?

A That would indicate to me that he told me he was going to do that.

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Q Getting back to the third week, I guess, in November of 1986, in looking at your calendar for Friday the 21st, I gather here you attended a staff meeting at 8:30 in the morning?

A Yes.

Q Do you have any notes of that meeting?

A No.

Q Does anyone regularly take notes at the morning staff meetings?

A You mean like minutes?

Q Or just a designated notetaker?

A Cathy Appiard, the AG secretary, sits in there behind me. She has, I have never really looked, I have a recollection of some sort of a notebook in her hand, but I don't know what she is doing. The Attorney General himself sits there with a yellow tablet and writes subject matters and some notes to himself, but I have never really seen or reviewed those. Those are his own.

Q Okay.

Do you know if John Richardson takes notes?

A Well, he takes notes, but I mean not as a secretary or a minute taker, but he does take notes. We all take notes, of one degree or another. Like the Attorney General asks me to call somebody and I have this thing that says, "to do," and I just write down, you know, what I am supposed

UNCLASSIFIED

UNCLASSIFIED

to do, and I check it off, so I take notes to that extent.

Q Do you know whether or not you took any such notes on Friday morning the 21st?

A I have no way of knowing because sooner or later I throw all that stuff away. But I can tell you for certain that the investigation being conducted did not come up. Whether it was intended to or not, I don't know. But I never heard about that until the press conference.

Q Did the general subject of Iranian arms sales come up during that meeting?

A I don't know, I don't remember it coming up.

Q Do you recall who was in attendance at the meeting?

A No. I can tell you who the regular players are, but I have no way of telling you who was there on any particular day.

Q Tell me who the regular players would be?

A The Attorney General, the Deputy Attorney General, the Associate Attorney General, John Bolton; John Richardson, Charles Freed; Bill Weld, Steve Galbach, Cribb, whenever he was around; Joe Morris, Steve Markman, M-A-R-K-M-A-N---

Q Who was that?

A He is the Assistant Attorney General in charge of the Office of Legal Policy.

Randy Levine, he is an Associate Deputy to Mr. Burns.

UNCLASSIFIED

either Terry Eastland or Pat Corton in the National Office of Public Affairs, and then I may have missed somebody, but that is the usual cast of characters.

Q Okay.

A There is an 8:10 meeting before the 8:30 meeting usually.

Q Who would that normally include?

A That is the Attorney General, the Deputy Attorney General, the Associate, the counselor to the Attorney General, and Chief of Staff John Richardson.

Q Give me that again; Attorney General, Deputy---

A Counselor to the Attorney General, and Chief of Staff, just five of us.

Q Do you recall whether or not at the 8:30 meeting there was any discussion or anybody brought up the subject of whether or not the Criminal Division should take a look at the Iranian arms sale?

A I don't believe so.

Q Do you recall whether you would have attended the whole meeting or whether you would have left early?

A Oh, 99.9 percent of the time I attend the whole meeting. Only on rare occasions do I not, such as this morning when my wife called me up and said, where are my car keys? I was running the meeting this morning and had to leave to figure out where her car keys were, but usually

UNCLASSIFIED

I am there the whole time.

You should talk to Bill Weld on this subject, though.

Q Why is that?

A Because he was in charge of the Criminal Division, and I think he did have a conversation with Meese about this at some time. When it was, I don't know.

Q What did Mr. Weld tell you?

A He told me that Mr. Meese had explained to him why the Criminal Division had not been brought in or was not being brought in, or something like that.

Q And what did he tell you Mr. Meese had said about why the Criminal Division wasn't brought in?

A He just said that Meese had called him and told him the Criminal Division was not being brought in. I didn't ask him what reasons did he have for not doing that. And I didn't find out about this until after the weekend.

Q Was it shortly after the weekend, or currently, or do you recall?

A It was probably during the week of November 24. It has to have been after noon on November 25.

Q So, it was after the press conference?

A After the press conference and before the end of the week. Either Tuesday, Wednesday, or Thursday, or Friday, I remember Bill telling me something about that.

UNCLASSIFIED

Q In what context did this conversation come up?

A Just in the general context of discussing the whole thing.

Q All right.

What was -- was it your feeling that the Criminal Division should have been called in earlier?

A Not at that time, no, because I didn't see any -- the way it was described to us, there was no predicate for a criminal investigation at that time. That Mr. Meese was simply gathering the facts in order to make sure that they were fully known by everybody involved, and that any testimony that was going to be prepared would be completely honest and accurate. And we were told, I was told there was no -- it was not a criminal investigation in that there was no predicate for a criminal investigation that had been perceived by anybody. As a matter of fact, the first meeting that we held was in order for Meese to ask that the criminal experts discover the facts so they could discern whether there was a predicate for a criminal investigation and whether the FBI ought to be brought in.

I can refer to my notes, Tuesday November 5 -- 25, 1986, and 12:05 p.m., press conference, followed by meeting with EM 3 in his office. Meese briefs group, requests that I assemble the best Criminal Division legal analysts to examine the known facts to determine in the light of the contra revelations if any criminal statutes are implicated. Then I went through and identified Mark Richard and Bill Weld as people who ought to sit down immediately, ASAP, with Cooper to go over what they had found, and to discern whether there was a possible criminal predicate in all of that.

Q Well, you stated that at the time when you learned that the Attorney General's first purpose was to investigate the discrepancies in the prepared testimony that Mr. Casey was to deliver, that there was no predicate for involving the Criminal Division at that time; however, once the diversion memo was found on Saturday, around noon, on the 22nd of November, did you feel that at that point the Criminal Division should have been involved?

A I didn't stop to think about it in those terms at that time.

Q What is your opinion now?

A Opinion now?

Q Yes?

A It would have been appropriate to bring in the FBI at that time. It would have appropriate to bring in the FBI -- it is awfully hard to pinpoint, but probably after what I understood from watching television, was Sofaer's second conversation with Chuck.

Q On November---

A This is with the benefit of hindsight. I can say that now because I have seen you refer on television to things that I had never heard of before, like what they call the PROF.

Q PROF messages?

A PROF messages and things like that. So I am possessed of so much new information it is very difficult for me to separate the new information and view it only perspectively from where Chuck and everybody else was.

Q Well, let me put it this way then. In these terms. And let's put it at Sunday evening then when Mr. North is interviewed by the Attorney General with Mr. Richardson,and Reynolds, and Cooper, and verifies that, indeed, there was a diversion of funds and described in detail how it was done. Just given those facts of the diversion memo, and Mr. North's corroboration of the facts in the memo, do you feel it would have been appropriate at that time to involve the FBI and the Criminal Division?

A On the basis of that only, it could have been appropriate, but I don't think if you just view it as that alone, that it would have been necessarily inappropriate to do what was then done. I understand the Attorney General still did some checking to see whether this in some way had been sanctioned, so,again, I say I don't know whether it was inappropriate, but had somebody brought in the FBI at that point, it wouldn't have been inappropriate.

Q You mentioned that there were many new facts you learned after listening to Mr. Cooper's testimony over the television?

A Yes.

Q Can you tell us what some of those were?

A Nearly all of it. I didn't know the precise details of the first entry of Chuck into the matter, for example, and I didn't know what Chuck's mission was.

I did not know that Chuck and the Attorney General and the rest of the group had sat down after having received what has been identified as a generally accurate chronology from the CIA and NSC, to go over the testimony. I did not know anything about what happened at that meeting.

I did not know that Oliver North began to change the testimony and indicate in a meeting that nobody in the United States Government knew that Hawk missiles were involved. I did not know that shortly thereafter that Sofaer called and started to raise the roof. I knew none of the stuff in the Sofaer deposition that came out. I didn't know that Chuck called the Attorney General at West Point. I didn't know that Sofaer had a couple of conversations.

I didn't know that Sofaer raised the contemporaneous notes. I didn't know anything about that. I didn't know anything about the PROF messages. This all came as news to me. And I didn't know some of the details, sketchily known they had interviewed people and all that, but all that first business with the -- I guess the record should show that my secretary has just come into the room and delivered to me a document titled, "secret."

You might want to interrupt and hit this?

Q Might as well; yes.

A Okay.

This is the original -- this is a copy, too; no. Mark must have the original.

This is a routing and transmittal slip. This is Mark Richard's handwriting that I identified. It says, "3-26-86, spoke to Kellner, AUASA not back from NO." I don't know what NO is.

Q New Orleans.

A "File contra folder,"these are Mark Richard's initials. The second is a routing slip and transmittal slip in my hand, "3-24-86" to Mark Richard. It says, "Coordination and see me"; and it says, "Please, get on top of this, DOJ is giving heads up to the NSC." He would like us to watch over it. "Call Kellner, find out what is up, and advise him the decision should be run by you."

That would be Mark.

Then this is a memorandum that I referred to earlier from the FBI to the Deputy Attorney General, which would have been Lowell. This shows -- this writing down here, SST 3-24-86, shows that it came to my office. This is the control slip;the secretary would write on it. So I got this -- I don't know where I got it.

And this is what I sent down to Mark, and this speaks for itself.

This is a copy you can have.

You are entitled to have secret classified information?

Q Yes.

A Are you sure?

May the record reflect she has said, yes; and I am handing it to her.

I thought you had that?

Q No. I have never seen it before, and I have gone through all the documents that we have.

end jm

take #2 fls

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SLK 1

MS. NAUGHTON: Off the record.

(Discussion off the record.)

THE WITNESS: You will notice in here it says the FBI has pursued this investigation with concurrence of the Internal Security Section of the Department of Justice. Mark Richard is the supervisor of the Internal Security Section of the Criminal Division of the Department of Justice.

BY MS. NAUGHTON:

Q Okay.

If we may go back --

A To what else I had not learned?

Q Yes, to what else.

A Most of it came as new information to me. As I said, the PROF notes, all that stuff was new. I had not heard anything about McFarlane briefing Shultz. As I said, the contemporaneous notes, all that came as new information.

Q So when you were briefed, in other words, by Mr. Cooper and the Attorney General and Mr. Reynolds and Richardson on the 25th and 26th of November, this outline was not communicated to you?

A See, I wasn't really briefed. My job was to set up the structure to handle this thing, not to be either the lawyer on the case or to be the investigator or to actually find out what happened. If you take a look at the

#2

SLK 2

notes, you will see--I am more of an organizer in my function --first Meese wanted to get the Criminal Division people in to listen to whatever information it was they had, and it was never completely clear to me everything they had. The contra memo was the thing that kept jumping up and down like some sort of a jack-in-the-box.

So, I did get Mark and Bill and say, "Okay, sit down with Chuck and find out from Chuck what is involved and then come back and tell us." So, I never got any of the original information at that point. I did not sit in with the FBI when it interrogated or questioned Chuck and Brad and John Richardson and all the rest. I sat in briefly when Ed Meese talked to them, but that was about it. I was more involved in organizing it rather than finding out what happened.

Q Mr. Trott, you referred to the second Sofaer conversation with Mr. Cooper. Are you referring to the one on Sunday?

A I don't know when they took place. I--my recollection is that there was a first conversation with Sofaer and Cooper and a second conversation. I say second because I think I remember it was the second one where Sofaer said, "We got notes of this where McFarlane said that there were Hawk missiles involved."

Q So, as of that point, would it have been, in your opinion, wise at that point to call in the Criminal Division to find out exactly what was happening at that point, being, if it were, it might have been a violation of the Arms Export Control Act?

A Yes, with the benefit of hindsight, it would not have been inappropriate to bring in the Criminal Divison at that point.

Q Do you know why, Mr. Trott, during this weekend inquiry, you were not included?

A Well, that is a question that you really ought to address to the Attorney General. My--we were essentially told that the reason was that they were not engaged in a criminal investigation; that there was no predicate for one until the contra memo began to come into focus, and that the objective of the operation was to discover what had happened, all the facts, and to make sure that everybody knew what the facts were before somebody made a mistake, and either give testimony or started to talk about the thing in terms that were not accurate.

Q I understand that is the position.

Do you have any feeling or belief that you were not included for any other reason?

A No.

Q Do you have any feeling or belief as to why

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SLK 4

anyone in the Criminal Division wasn't included in that weekend inquiry?

A Feeling or belief?

Q Yes.

A I don't have any reason to believe that what I was told was not true in terms of the motivations of people.

Q Have you spoken to anybody at the White House about the weekend inquiry?

A White House?

Q Yes.

A. Can you be more specific?

Q Either the White House or the National Security Council?

A That is a--I can't track that question. You mean when, now, yesterday, two weeks ago? Six months ago?

Q What I am getting at in terms of the last question I asked you, you say based on what I have been told, is what you have been told, does that emanate only from the Department of Justice, or have other people in the White House or in other government agencies or outside of government, informed you as to what went on during the weekend in question?

A That is a long question. I don't remember any discussions with anybody from the White House or any...

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SLK 5

other agencies about the weekend inquiry. My notes will reflect that I did talk to Peter Wallison, I talked to Jay Stevens, talked to Brendan Sullivan, talked to a number of people, but not about that subject.

Q So you were not aware, until after the fact, that Mr. Reynolds and Mr. Cooper had met with Mr. Green, Tom Green, the attorney?

A What do you mean, after the fact? No, Green shows up in my notes.

Q According to Mr. Cooper's public testimony, they met with Mr. Green on the--Monday the 24th at approximately 2:00 p.m.

A Let me see, I have Green in here somewhere.

Q Mr. Green meets again with Mr. Reynolds on December 1st. I am asking you about the first Green meeting.

A I never met with Mr. Green. Here is a reference in my notes. He came up, however, Wednesday, November 26th, 8:10, 8:30.

MR. McGOUGH: How about the last note on there before Friday, November 28th?

THE WITNESS: Hang on a second. It says here at the end of, there are no secrets, lawyer for-- then I got Green scratched out, North, et al., Green, discussed, WBR to hand him off to Weld.

UNCLASSIFIED

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SLK 6

Reynolds indicated that some guy, a lawyer for these characters named Green,was talking to him about the whole thing, and it was my sense and the sense of the group that it was not appropriate at that juncture for Brad Reynolds to be talking to this guy about the case, that he should be as a lawyer for possible suspects, subjects on an inquiry to hand him off to Bill Weld who was running it for the Criminal Division.

You point out another one.

MR. McGOUGH: Yes, that day's reference.

MS. NAUGHTON: May I explore that reference for a moment?

THE WITNESS: End of what day?

MR. McG~~E~~OUGH: Just before Friday, the last entry before Friday, November 28th.

THE WITNESS: "Green may want to give us their story, pluses and minuses discussed, team will decide."

It was brought up that Green wanted to talk and the pluses and the minuses of that were discussed. The minuses obviously being that we were not in a position to be able to judge the truth of anything that he might say, but the investigative team would make that decision. That is where we came out on that one.

BY MS. NAUGHTON:

Q When it was brought up that it would not be

UNCLASSIFIED

#2

SLK

appropriate for Mr. Reynolds to meet with Mr. Green, did you bring that up with Mr. Reynolds?

A Yes, that probably is a bad formulation of it. What was brought up was it would be appropriate for the guy to meet with the investigative team, not Brad. I am not sure anybody told Brad it would be inappropriate for you to meet with him, but the proper way would be for the guy to talk to the investigative team on the case.

Q Why? As opposed to Mr. Reynolds, why, since he had been with the initial team?

A He was out of it now and we were running a criminal investigation. And lawyers for subjects, targets, all the rest, should talk with the people handling the case.

Q Okay. Do you know why it is that he decided to meet with Mr. Green anyway?

A No. You have to ask him.

Q Did he ever tell you?

A No.

Q Who did you understand on November 26th that Mr. Green represented?

A My notes say North, et al. I just remember him being for North and there obviously must have been somebody else. Green must have been purporting to represent other people, but I didn't know anybody else's name.

Q Did you think it was curious to meet with basically a criminal defense attorney at this juncture in an investigation on Monday afternoon?

A For Brad to?

Q Yes.

A Not really. I mean at that point the thing was really swirling and I don't know how the contact occurred. I think Green contacted Brad and if somebody would have called me and said, "Hello, I am Green", I would have said, "Hello, how are you?", and apparently he laid all of this stuff on him. That is my understanding, but again, I wasn't there. You would have to ask Brad or Green exactly how it came about.

But the assessment was that it would be--the appropriate way to do it would be to, if he wanted to talk to anybody, it would be for him to talk to the investigative team, the lawyers and the investigators, and they would make the judgment as to whether they wanted to get any information from him or not, or when and how, and all the rest.

Q Let me ask you one more hypothetical here, assuming that you were part of the weekend inquiry team, at what point would you have been involved, the FBI or the Criminal Division?

A Boy, that is a very difficult question to answer because hindsight is always much clearer than foresight and with all the information that I now have, that I have gotten from watching television and reading the newspapers in the last few weeks, it so floods my mind with facts, I am not sure that I can separate what I now know from what I would have known had I been standing there then.

It's very difficult to say. It would have been--let me put it this way, what is the most accurate way to put this--it would not have been impossible for somebody, after the phone call from Sofaer, to call a time-out and bring in some criminal law investigators.

Q Okay.

A On the cold facts, at that time, you could say that probable cause existed to believe that some violations of Federal criminal law may have occurred.

Q If you had done anything differently, do you think you would have--that that is what you would have done differently?

A You are asking me to guess, to go back and say what I would have done. I don't know what I would have done. It's hard to say, but somebody could have, whether it would have been me or somebody else, somebody could have called a time-out and brought in the criminal investigators and the FBI.

I am not going to sit here and tell you that I would have because it makes me sound like smarter than maybe I am.

Q Well, Judge Sofaer has said that he--in hindsight, he wishes he would have called you instead. Has he ever expressed that to you?

A Yes.

Q When did he express that to you?

A I think after Chuck's testimony.

Q Did he elaborate on that as to what that meant?

A Do I know what he meant?

Q Yes.

A Yes, I think he meant that--you have to ask him what he meant. I took it to mean that he believes that somebody with criminal law experience might have spotted something at that juncture.

Q What else did Judge Sofaer tell you about Mr. Cooper's testimony? Maybe I should start with one question at a time. Was there anything in it that he disagreed with?

A No. He didn't say anything like that to me, whether he did or didn't though, you would have to ask him.

Q This is Judge Sofaer--did he express any opinion as to how the inquiry was handled based on what he heard in Mr. Cooper's testimony?

A He said something to the effect that somebody with more criminal law background might have seen more in this than Chuck did, something like that.

Q Did he say anthing else to you in that conversation regarding this topic?

A This topic?

Q Yes.

A Yes, he told me that he had not told Arnie Birns anything about contemporaneous notes. That all he told Arnie was that he was concerned that the story was not accurate, the story about oil-drilling equipment or something like that was not accurate, but he didn't give Arnie all kinds of details.

Q How did that come up, that you were discussing Mr. Birns?

A I don't know. It just came up.

Q Had you read Judge Sofaer's deposition?

A No.

Q Okay.

A I had read the parts of it that were reprinted in the newspaper.

Q So you were aware when you talked to Judge Sofaer that he had called for the Attorney General and that Deputy Attcrney General Birns had relayed a message from the Attorney General.

A Yes.

Q What did Judge Sofaer tell you about what Mr.

Birns told him in terms of relaying the message from the Attorney General?

A Just that he had relayed the message from the Attorney General and the Attorney General signaled back to the effect that everything was--somebody was on top of it, it was under control or something like that.

Q So that how did it come about that Judge Sofaer mentioned the notes or made a point of saying that he did not tell Mr. Birns about the notes?

A I think he brought it up. He seemed to think that Arnie was getting a bum rap in the newspapers or something like that.

Q Have you spoken to Mr. Birns about that incident?

A Yes.

Q When was that?

A Shortly after Cooper testifed about it, or it came out in testimony.

Q And what did Mr. Birns say about it?

A He told me that he didn't have a distinct recollection of the conversation, because he didn't know what the--he didn't know anything about the subject matter. So, that he simply passed on the information from Sofaer in haec verba, verbatim, to the extent he was capable of doing that, and that he passed it to the Attorney General and the Attorney General passed back the

UNCLASSIFIED

HS ITS-075

#2

SLK 13

information to the extent that he was aware of it, that he was on top of it or somebody was on top of it, or something to that effect and he passed that back to Sofaer and that was it.

Q What did Mr. Birns tell you specifically as you can recall, what did he tell you that he had been told by Judge Sofaer?

A He didn't seem to remember very much about what he was told. I don't think he remembered very much at all.

Q Did he seem surprised that this had come up?

A Surprised?

Q In other words, had he forgotten about it until this point?

A I don't know, you would have to ask him.

Q Did he say where the Attorney General was when he talked about it?

A He didn't seem to know. He seemed to think the Attorney General may have been in his car.

Q Had he spoken to the Attorney General about this recently after Mr. Cooper's testimony?

A I don't know.

Q In other words, he didn't reference to you that he had just spoken to the Attorney General about this to refresh his recollection for any reason?

A Yes, I was with the Attorney General and Mr. Birns

UNCLASSIFIED

said something about, I don't even remember where you were when I called you; and the Attorney General said, I don't remember where I was either. Birns said,"I think you may have been in your car." The Attorney General said,"I am just not sure where I was, but I may have been in the car."

It was something like that.

Q So, when you discussed this with Mr. Birns, this was in the presence of the Attorney General?

A That part of it was, yes.

Q What did the Attorney General have to say about this episode?

A That he had received a message from Mr. Birns, that he believed it related to what they were already looking into, and that, therefore, he had simply told Mr. Birns to tell Sofaer that they were on top of it.

Q What did he say about the fact that they were already looking into it?

A Nothing more than that. This was not a very-- this was not a deep conversation. It was almost like the kind of conversation that you would have after reading something in the newspapers, somebody would say, see that business in the newspapers about such and so, I don't remember where you were, you remember where you were, hell, I don't remember, I think I was in the car, yes, you may have been in the car. The Attorney General said something like all I remember is you called me with a message from Sofaer that something about this and I told you that, and there was no particular signal in it that alerted me to anything. It was just like that. Just like a casual conversation not a specific discussion as to what does all of this mean?

Q Okay. Did you discuss Mr. Cooper's testimony with the Attorney General?

A Discuss Cooper's testimony with the Attorney General?

Q Yes.

A I told him he ought to watch the tape of the testimony. I asked him if he had seen the tapes or have you seen Cooper's testimony; and he said that he had not. I told him that he should watch, should get a tape of it and look at it.

Q Was there--

A Hold on a second. I am still thinking. There was just a general discussion about it. You asked if there was any reason why we were talking about this?

We were talking about his scheduling in terms of his deposition and preparation for his testimony.

Q All right. What was that discussion about?

A What?

Q What was that discussion about?

A Just the timing of the whole thing, he had a scheduling problem or something like that that was coming up and that was being discussed.

Q And what was discussed in terms of what he needed to do to prepare for his deposition?

A That he was going to have to sit down and go over all of his notes, material, and information to refresh his recollection about what had happened before the testimony; that it was probably going to be very arduous in terms of the way Chuck's testimony had been; and that he ought to take some time and do it so that he would be well prepared.

Q In terms of the timing of his testimony, was there any discussion relative to other people's testimony, in other words, did the Attorney General express any desire to do it before or after any other testimony?

A No, I don't remember anything like that, not in my presence, not that I remember.

Q So, in terms of the timing issue, it was only dependent on his ability to prepare?

A I think so, but again, I don't really know for sure.

Q Did you discuss the substance of Mr. Cooper's testimony with the Attorney General?

A Substance of?

Q Yes.

A I didn't.

Q Do you know if anybody did?

A Chuck did. He just outlined it and only parts of it, I think. It wasn't a detailed briefing at all. It only took about maybe three minutes.

Q Were there any portions of--during his debriefing, were there any portions of his testimony with which the Attorney General disagreed or his recollection differed?

A Chuck's testimony?

Q Yes.

A No, not that I remember.

Q Was there any discussion of what questions the members would be asking during those discussions?

A Questions?

Q Yes.

A The only thing that I can remember is that, was the general sense that he was going to be asked why he didn't bring in the FBI earlier. That was described as the general drift of a large part of the questioning that Chuck had undergone which came as no secret. That was all over every television channel and newspaper in the country by that time.

I think somebody simply said to him that that was one of the drifts of the questioning was probably going to be what he knew, when he knew it, and why he didn't bring

#2

SLK 18

in the FBI or the Criminal Division earlier.

Q What was the Attorney General's response to that?

A That he was, at that time, not running a criminal investigation; that the facts were simply being assembled; and that it didn't appear that a criminal investigation ought to be started until he came back and started one.

I can't remember the exact words he used, but it was just short, just something like that.

Q Was there anything else discussed in that conversation about the Attorney General's proposed testimony and preparation for it?

A Somebody said--and I can't remember who it was--that he ought to take as much time as he needed to get ready for the testimony because a lot of stuff was going to be gone over.

Q Now--

A Wait, wait, there was one other thing. When Chuck said--was it Chuck, I think it was Chuck who said the drift of it was going to be, one of the drifts was going to be that he had not brought in the FBI or the Criminal Division as early as he could have.

I said, "With hindsight it is arguable that Chuck was an eye witness to a crime when North was cooking up the testimony"--Casey's testimony I guess it was.

That is about all that I can remember that was said

UNCLASSIFIED

about that.

Q Do you know or did you know, either through personal knowledge or other ways, whether or not the Attorney General had contemporaneous knowledge of the November 1985 Hawk shipment?

A I have no knowledge, no information on that one way or another. I have never heard from him that he did.

I never heard from Chuck or Brad or John Richardson or any other people that he did.

Q All right. And I gather that prior to November 26th, 1986, that you were not aware that the Attorney General had been involved in the January '86 finding?

A I did not know anything about that.

Q Did the Attorney General ever come to you around that period of time and ask for any help?

A General, when?

Q In 1986 and ask for any type of research regarding such a finding?

A No.

Q Do you know whether or not he went to anyone in the Internal Securities Section or any other section?

A I don't know. I don't believe so. I have never heard that he did.

Q I had one other question regarding your conversation with Mr. Birns on the episode with Judge Sofaer. Did Mr.

UNCLASSIFIED

Birns tell you that he had taken notes?

A No.

Q Did he say either way?

A He didn't say either way. I got the impression that he had no notes, that it was just one of 10,000 phone calls that a Deputy Attorney General gets a year on various subjects. Very few of which one even remembers much less verbatim what was said.

Q Well, when he got this message, did he call the Attorney General promptly, do you know?

A Yes. But that is not unusual. I mean, he must do that five-six times a day, if not more. There is a constant flow of information back and forth between the Deputy and the Attorney General and the Associate and the Attorney General and the Assistants to the Attorney General. That is the way it goes on ten hours a day.

If you asked me to reconstruct a single day last week, I would be hard pressed to do it.

Q Join the crowd. I understand.

A That is one of the reasons I kept these notes.

Q If you have no objection, what we thought we would do is take a break and get a drink of water, or they have a cafeteria here, while we look through your typed notes and then, hopefully, that would short-circuit my questions so we don't have to go through day-by-day or minute-by-

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minute.

A Okay, whatever you would like to do.

Q Let's go off the record then.

(Discussion off the record.)

End

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MS. NAUGHTON: Back on the record.

I want to direct your attention to November 26, 1986, Mr. Trott, in the afternoon. I understand that at a meeting with the Attorney General that Deputy Attorney General Birns had been instructed to contact Mr. Wallison at the White House to secure the documents at the White House? I believe in your notes it's on the 22nd sometime around 1:30.

A 22nd?

Q 26th, excuse me.

A 26th.

Q If you can just tell me what you recall, we have your notes.

A We were sitting in the meeting and Meese turned to Arnie and he said, did you call Wallison and ask him to get all these documents secured; and I can't remember the exact words he used but Arnie looked somewhat ruffled and said, no.

Q Why hadn't he?

A I don't know.

Q He didn't give a reason or explanation?

A No.

Q What did the Attorney General say?

A He came, became visibly quite upset, combination of upset and angered and I think Arnie then got up on his

m2

own power and went out of the room, apparently to do it.

Q When you say he got visibly upset, can you explain what those manifestations were?

A I don't think he anticipated that answer. I think he was just making sure that something that he had requested had been done. It was almost like a rhetorical question, did you call Wallison and ask the documents to be secured? And Arnie kind of went, and I can't remember whether he said I forgot or no, and the Attorney General kind of went -- and that is the best I can recreate it. Kind of like this, like his body was saying, what?

Then I remember Arnie getting up and motoring out of there.

Q It would be hard for me to describe it on the record.

A I can't describe it.

Q Other than perhaps a grimace.

A Grimace, yes. Or gritting of teeth.

Q Okay. That is the Attorney General, not Mr. Birns.

A Right.

Q Do you know whether or not Mr. Birns did indeed do that then?

A Yes.

Q All right. That would have been the afternoon of the 26th? That is Wednesday, correct?

A If that is what my notes show.

Q Do you know whether or not the documents had been secured by White House security people prior to that, in other words on their own direction?

A I don't know.

Q So when Mr. Birns reported back he didn't mention, oh, they had already done it, or anything to that effect?

A No.

Q I point out there will be an investigation of our investigation.

MR. McGOUGH: An understatement if there ever was one.

BY MS. NAUGHTON:

Q Mr. Cooper testified in public session that he got the sense that the FBI, particularly Mr. Clarke but the FBI was a little uncomfortable with having him in the investigation.

A Yes.

Q Did they express that to you?

A Yes.

Q Could you tell us who expressed that to you?

A Floyd Clarke.

Q What did he say to you about Mr. Cooper's involvement.

A Simply that Cooper was a fact witness to many of the events that had gone on and under the circumstances it would be appropriate to have him not a part of the investigative team.

Q Did you do anything about Mr. Clark's opinion?

A Yes, we took steps to get Chuck onto the sidelines.

Q What were those steps?

A On Friday November 28 I got a call from Jack Keaney advising me that Cooper had participated in an interview with McMahon at the CIA and that FBI had expressly requested that no such interviews be attended by our people. I called Cooper and met with him, told him of the FBI concern that he will be a grand jury witness.

He agreed, and indicated that he would not participate at that point unless part of a team approach.

But I remember later he was moved out of the thing completely.

Q Did anyone from the FBI ever express to you that they would not share information from their investigation with Mr. Cooper?

A Not share it with Cooper?

Q In other words not report the results of their investigation if Mr. Cooper were involved?

A I don't think so, but the FBI stopped reporting

m5

information to us shortly after I got involved in it when they started to smell an independent counsel.

Q Okay.

A Which is standard. At one point I was told the FBI was not sharing information with any of us anymore.

Q Did either Mr. Hendricks or Mr. Carver make that complaint to you?

A It really wasn't -- was it a complaint? It was more an observation. Hendricks may have mentioned it.

Q Okay.

A But I didn't read anything into that because that is what they would do, if we are going to be recused because there is a conflict, it would be at that point that you as the investigator who was going to move over, should start to back away. That is the way it should work. Not that you back away from the investigation, but you begin to back away from the people who might not be in charge of it anymore.

Q For the record, is it clear from your notes of November 28th that that is the date on which the FBI actually went to the White House to begin their search of the documents in Colonel North's office? I believe it's towards the end of your notes.

A What happened on the 27th?

Q The 27th is Thanksgiving.

m6

A Oh, 26th, it looks like -- I don't know when the FBI did it. All I know is we discussed the documentary evidence in the early afternoon on the 26th, documentary evidence was discussed, checking it for prints. I went from the meeting to Birns to ask him to tell Wallison to make this stuff available immediately to the FBI. Arnie told me that he had already done that. The orders were to freeze and make available.

Jay Stevens had been named as the contact for Floyd Clarke. Then we discussed the letter to all other agencies. But when the FBI actually went over there, when the White House counsel grabbed the documents and when the FBI actually went over there I don't know.

Q I believe you have a note further on if you look on the 28th, maybe on the next page. I should have marked it down.

A Okay.

It says Friday, November 28, Cooper has Meese agency letters, I approve the request they be signed and delivered today. Called to Clark to make sure documents under control and that everything is in order. He wasn't there. 10:30 call from Weld, FBI at White House, 7 a.m.

Q So that indicates that on, at 7 a.m. on Friday, November 28, the FBI was at the White House.

A Yes, he will receive periodic reports from the team. Measures to prevent document destruction is reported in papers under review, possible grand jury subpoenas, yes, so that is what that indicates.

Q Do you recall Mr. Clarke telling you that sometime during that week Mr. Poindexter had been interviewed?

A I have a recollection of Clarke saying that When it was, I don't know.

Q Do you recall whether or not he discussed the substance of Mr. Poindexter's interview with you?

A I don't think so. I doubt it. I don't have any recollection of that.

Q You don't recall asking him what Poindexter had to say?

A No. I don't.

Q On that issue, it has been testified to by Mr. Cooper that the Attorney -- doesn't believe the Attorney General took any notes of his meetings Monday morning the 24th with Admiral Poindexter, Mr. McFarlane, the Vice President, Mr. Regan. Do you know whether or not the Attorney General took any notes?

A I have never seen any such notes and I never asked the AG if he had any.

Q Do you know of anybody who has alluded to any notes during that meeting?

A Who was at the meeting besides Meese? Was Cooper there?

Q On Monday morning, no, he testified he was not there.

A Oh, then I have no knowledge of that one way or the other. Was the AG the only person present at these meetings, these interviews?

Q Cooper testified as far as he knew that was the case.

A I have no knowledge of any notes one way or the other.

Q Were you aware on or about November 28th of a Los Angeles Times story that claimed that there had been a shredding episode at the White House?

A Yes.

Q How did that come to your attention?

A Probably read it in the morning clips.

Q Did you bring it to anybody's attention?

A Everybody knew about it. Everybody was talking about it. Everybody had seen it at the same time. I didn't have to.

Q What was the substance of the discussions then at the Department of Justice regarding this particular article?

A Whether or not anybody was aware of any document destruction and nobody seemed to be.

Q Do you recall that this article, did this article come out after the FBI was actually at the White House?

A I don't remember. What was the date of the article?

Q I believe it was November 28. I would have to go back and check.

Regarding the diversion memo and the whole subject of the funds from the Iranian arms shipment being diverted to the contras, had you heard at any time whether or not anybody within the Department of Justice mentioned any discussions occurring during the weekend of November 21 through 23 regarding whether or not the fact that a diversion could be kept quiet from the public or from Congress?

A No.

Q On page 9 of your notes, if we could proceed there, there is an allusion to Brendan Sullivan.

A Beeper?

Q Calling, yes.

A Yes.

Q And regarding North's subpoena to testify before the Senate.

A Yes.

Q Could you tell us what that conversation was about and give us the date, please.

A Sunday, November 30, at 8 o'clock. That was while I was in Tyson's Corner and my beeper went off and it was a call from the command post, Brendan Sullivan wanted to talk to me. Actually Brendan Sullivan was calling for Meese and Meese told the command post to have me respond. I called Sullivan, he told me he represented North, that North had gotten a call to -- gotten called up here before a congressional committee and Sullivan wanted to know whether this would be a free for all or whether people should sit down and discuss how it should be handled -- questions like executive privilege, classified information, whether Ollie was on his own to make these decisions or whether there were any expectations with respect to all of this stuff.

And he named things like executive privilege, classified information and all the rest. As I say in my notes, I listened only, and told him I would call him back.

I then called Meese, reported to him what this was, what the substance of the phone conversation was, and I recommended that I put Sullivan in touch with the White House, with Wallison and Stevens, Jay Stevens indicating that we should not be involved in anything like that.

Meese mentioned that in any event North does not have the power to assert executive privilege and he mentioned to me that the President had given instructions to cooperate with Congress, expecting that there will be a responsible way to protect sensitive national security and

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all the rest.

Sullivan also mentioned that Poindexter and McMahon had subpoenas. I called Wallison, filled him in, told him it's improper for us to counsel North. He agrees. Said he was trying to reach agreement with the committee for the handling of national security information. Wallison agreed that he would call Sullivan. I suggested that Jay Stevens be involved because of his special expertise and background. Jay was involved in the Watergate stuff and he was assisting the United States Attorney and is a very experienced Justice guy.

That is the way that went down.

Q When Mr. Sullivan called you on November 30, did he express to you that Colonel North did not want to testify before Congress?

A No.

Q Did he discuss with you Colonel North's plans to assert the 5th Amendment?

A No.

Q So his remarks to you were limited only to executive privilege and --

A And classified information. He was an employee of the Executive Branch and all of a sudden he was going to be over there in a committee and he could be asked a lot of questions about things and it was more of a call of, you know, what is the guy supposed to do? Is this a free for all, or is he supposed to answer all the questions or is the White House going to expect him to say no, that is national security information or I am sorry, that is executive privilege and this, that and the other thing.

It was a very lawyerly-like call.

Q Okay.

A It's the type of call I might have made if I had been representing Oliver North and somebody said come over here and talk about what you did in the White House. You don't want to go over there and make a mess out of it so I assume he was told to cooperate.

Q I guess what I am getting at in terms of the flavor of his remarks was, was he trying to hang his hat on executive privilege?

A No, not at all. He just wanted to know what the signals were -- I mean "signals" just in a straightforward way, not in a sneaky way either. You know, "What is my client supposed to do?

Q You have a note on your -- December 2 note around 10 o'clock in the morning.

A Yes.

Q If you would look at that. Just for the record is that on or about the time that the Attorney General decided to go ahead and apply for independent counsel?

m13

A I got it -- on December 1 I talked to Bill Weld. I was at Harvard and he was down here. He told me all options are still being reviewed, no final decision on the independent counsel. Six o'clock, Weld told me that there would be a meeting at 8 o'clock the next day. December 2 at 9 o'clock, meeting EM 3 and staff -- I think that should be has decided to apply to the court under 591 to seek independent counsel. So it is sometime between December 1 and the early morning of December 2 that he made the decision.

Q Now on page 15 of the notes there is a notation regarding apparently a conversation you had with Mary Lawton concerning the fact that CIA may have taped conversations regarding the White House or White House employees perhaps improperly. Can you tell us what that is all about?

A I got a call from Dave Dougherty from the CIA who told me they had tape recording of somebody named Ambassador Kelly relating to the Iranian arms deal. They said they were going to make transcripts and turn them over to everybody, including Congress, but they wanted to make sure this was done right and also that the integrity of the original tapes was preserved.

He said he thought the taping wasn't illegal because it was their private system that was being used and nobody could expect any privacy vis-a-vis the CIA when using this system.

Q Could you -- who is "they"? In other words, who had taped?

A I guess it was a CIA employee.

Q And Ambassador Kelly -- is that an American?

A Yes.

Q An ambassador to a foreign country?

A Yes.

Q Okay.

A I think so.

Q And where was he taped, at the CIA?

A I don't know. So I immediately called the FBI and said there are some tapes, and to call Dougherty and get on it. But then Mary Lawton apparently thought that these tapes were illegal and that it might be a crime to give them to anybody so then we got involved in this big circular investigation to see whether these tapes could be given to anybody without violating the law. There are some rules that say if you illegally intercept somebody's communications those can't be disseminated.

Q Your reference to the White House, what is that?

A These calls were somehow made involving the White House. I don't know.

Q Your note says Mary Lawton advises CIA did tape

m15

White House.

A Yes. That meant these calls from Ambassador Kelly. This was some private system or special CIA system or something like that that was being used. All of this stuff has been turned over to the FBI.

Q Was that eventually turned over to the committees, do you know?

A I don't know.

Q You don't know the outcome of that?

A No. We dropped out of the whole thing. I don't know a lot of what happened after we dropped out.

Q Also on page 15 there is a reference at the bottom of the page to -- I don't know how this is pronounced -- L-u-y-t-u-e-s, apparently a criminal defendant who claimed to have bank accounts with Oliver North. Can you tell us what that is all about?

A That was a case up in the Middle District of Pennsylvania, Harvey Eisenborg was the organized drug task force coordinator and he called me up to report that this guy, Luytues, who was a [redacted] in Pennsylvania said some money in a Swiss bank account somehow is tied in with North. Luytues' company was called Air Services and apparently Luytues was fooling around with a CIA defense -- which is not unusual -- and the CIA originally said there was no problem, not tied to him, and Harvey told me the

FBI was already aware of this and I turned around just to make sure and called Floyd Clarke and he said he already knew about it. Where that went from there, I don't know.

Q And on page 18 you refer to a January 16, 1987 I guess exchange between Brendan Sullivan and the Attorney General. Apparently Mr. Sullivan wishes to get access to the President. Could you tell us what that is about?

A Yes, I got a call from Brendan Sullivan who said he wanted to talk to Meese about the Iran-contra matter. He said he had something he wanted to get through to Ronald Reagan, that he tried Abshire but he didn't have any luck. He didn't want to go through Wallison.

I told him that we, the entire Department of Justice, are recused. Meaning we are not involved. We can't do that. He said it has nothing to do with the facts of the thing. I said look, we are out of this. What about Walsh? I said what if we tell Walsh, you know, get his permission, he said he didn't have any objection. I said --

Q Excuse me, who had no objection?

A Sullivan.

Q Had no objection to your consulting Walsh?

A Yes, he said I don't care if you tell Walsh.

I said you're putting Meese in a bad situation because what if somebody makes authorized admissions to

Meese and all of a sudden he becomes a witness to the whole thing? He said, no, no, I am not talking about facts, this is just something important that I want to get through to Ronald Reagan.

He said I am calling you because you are the only ones with any spine to do what is right. He said I don't intend to tell anybody about this meeting but there were no restrictions on us.

I said that is fine because we wouldn't hide it from anybody anyway.

I will tell him, I will pass it on to Meese. Then I went to Florida.

I talked to Meese on Sunday, January 18, I was talking to him about Hamadei, also, and he said, "Well, think about it and take it up on Tuesday."

Then Ken Cribb calls me in Florida and apparently Walsh, this had been run by Walsh and Walsh said it was not appropriate for Meese to talk to Sullivan under these circumstances, and I was told to tell Sullivan to call Abshire, that he is inclined to accept the call. That is the last I heard of it.

Q For the record, Mr. Abshire is -- or was?

A Special Counsel to the White House for Iran-contra purposes, or something like that. I can't remember his exact title.

Q Do you know whether or not Mr. Sullivan did speak to Mr. Abshire?

A No.

Q You do not know?

A No, Brendan told me, he said I don't care if you tell the press about this or not, is what he told me.

Q What did you understand the import of that remark to be?

A I hadn't the -- just that this is no big secret. I am not asking for something improper. In other words, there is nothing sneaky about this.

Q Did he indicate, ever indicate to you in any way why he wished to meet with the President?

A No.

Q Do you know whether or not it was to discuss the possibility of a pardon for Colonel North?

A I haven't the slightest idea. I did not get that impression but as I say I hadn't the slightest idea what he was talking about. I didn't want to know what it was because again, I always believed that we were recused and we shouldn't have anything to do with Oliver North or his lawyer at that time under those circumstances.

Q There was a reference in your note to him saying you guys are the only ones with spine enough to do it or something. What does that mean?

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A You would have to ask him.

Q Well, when he made that remark what did he mean, to do what?

A To do what is right -- I just thought it was a throw-away BS comment.

Q Could you tell us what the context was that it was made in?

A Well, you know, that everybody else was running and hiding and the Department of Justice, he seemed to think, were the only -- was the only operation that would continue to try to function while everybody else was running around in circles. That is the way I sort of took it. I didn't pay any attention to it one way or the other. I wrote it down because I thought it was kind of quaint.

Q Were you ever aware either prior to November '86 or thereafter that the FBI had interviewed Oliver North on other occasions prior to when the Attorney General did on November 23rd?

A Interviewed him?

Q Yes.

A In connection with what?

Q In connection with several different cases.

A As a witness?

Q Yes.

A Interviewed him? I don't think so.

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m20

Q Did Mr. Revell ever discuss Oliver North with you?

A Oh, yes, had a lot of discussions with Oliver Revell with Oliver North. They were on the OSG together. I had talked to Oliver North on a couple of occasions, one involving [redacted] the other involving Southern Air Transport, another involving a criminal investigation being conducted by the FBI.

Q Could you just give us the general parameters of that last one?

A We have a number of indictments against airplane hijackers and like the Hamadei case that I mentioned earlier and obviously we were out there looking for these sons of bitches so we can get them arrested and bring them back to trial and [redacted] That is the general parameters of it.

Q What was Mr. Revell's opinion of Oliver North?

A At that time?

Q Yes.

A I don't think he ever expressed an opinion of Oliver North. He was just a person who was involved in some of this process.

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Q You mentioned [redacted] to us a while ago; I really had only one question on that. When Oliver North spoke to you and others on behalf of [redacted] prior to his, I guess his sentencing, did he ever express to you any fear that unless [redacted] was treated with leniency that he may reveal sensitive national security information?

A Yes.

Q Could you tell us what he said to the best of your recollection?

A That was about it.

Q Did he say what that information would be?

A No.

Q Did you get any indication what the subject matter was, in other words was it contras, was it Iran, was it terrorism?

A It was U.S. involvement in Central America. This is just -- I am sort of piecing it together -- I assume it had something to do with Honduras and Nicaragua but the substance, I never got into the substance of what it was.

Q Did you assume that from the facts of the [redacted] case?

A Yes. General Gorman was involved. Here's a calendar date of September 24, I have a copy that shows the meeting that I had on [redacted] with Ollie and Jim Michels and Buck Revell.

m22

Here is my little calendar thing that shows the same deal for September 24.

MS. NAUGHTON: If we could mark these Exhibits 3 and 4.

(Exhibit Nos. 3 and 4 were marked for identification.)

THE WITNESS: [redacted]

BY MS. NAUGHTON:

Q Were you aware of any involvement by DEA agents to locate or extricate the hostages held in Lebanon?

A I am now.

Q What are you aware of now?

A Well, Jack Lawn has told me that there were some DEA people who were involved and I was at the time, I have known for quite a long time that DEA was tasked with checking to see whether their informants had any information about where these hostages might be. That is what I thought. I knew that apparently everybody who might have some way of knowing where the hostages were had been tasked to check to see what could be found out.

Q Recently has Mr. Lawn told you that their involvement was more operational than that?

A Yes.

Q What did he tell you?

A He has a report on the whole thing. Apparently he was concerned that they may have been out there doing things that they shouldn't have done. He conducted a whole investigation on it and just in a couple minutes he told me some things but I don't remember the details of what they were.

Q Do you know whether or not there was a Finding prepared for the DEA activities?

A No.

Q Is that a no?

A I don't know way way or the other. Sorry.

Q Do you know whether or not the Attorney General was briefed on what the DEA agents were doing?

A I don't know. I know Jack briefed him after the fact, after somebody in Congress started calling it a rogue operation or something like that. I know Jack looked into it in great detail and I know he briefed the Attorney General on what his findings were. And he, Jack among other things told me it was not a rogue operation.

Q What was it?

A I think the tasking may have come out of [redacted] [redacted] the original tasking to look for

m24

information that may show us where these hostages were.

Q Did Mr. Lawn tell you that any agents were assigned to the NSC?

A No.

Q Was it your understanding that they were or were not or did you have an understanding?

A I didn't think they were but I couldn't be sure, I didn't get into the details of it.

[redacted]

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Pages 82 and 83

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Q In a decision?

A Yes, it was discussed and it was determined he didn't have to be under the standards that exist, that he didn't have either a personal or professional relationship with her of a kind that would create a conflict of interest. With the understanding that the independent counsel statute in the first instance is a recusal statute and what you are trying to decide is whether to recuse the Department of Justice.

So you can't -- the attorney general can't, I mean if you are going to take a double recusal then the attorney general would be recused on all of those people, theoretically, as a member of the cabinet and as somebody who knows many of them and the statute doesn't say that.

So all those things were discussed and only in very unusual circumstances where there is a relationship above and beyond the relationship that is inherent in the structural relationship do attorneys general recuse themselves, [redacted]

Q Did anybody object to that position?

A I don't think so.

Q Okay.

A [redacted]

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[redacted]

MS. NAUGHTON: Those are all the questions I think I have. I will give you over to my colleagues and return this phone call. Thank you.

THE WITNESS: Sure.

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EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q I would like to return if we could, Mr. Trott, to the Miami case now that we have the two-page, not the two-page but the two-buck sheets if I can call them that and five-page memo attached to it.

A Yes.

Q You have read them into the record. Let me go to the one that you sent to Mark Richard dated 3-24-86.

A March 24?

Q March 24, you are right.

The first sentence reads please get on top of this, DLJ is giving heads up to the NSC.

DRJ is Mr. Jensen, is that correct?

A Right.

Q What did you mean by a heads up to the NSC?

A Briefing. What is it? Factual briefing is what I mean by heads up.

Q Does it carry its usual connotation meaning watch out?

A Well, something that they ought to know about, yes.

Q Okay. My next question is obvious, why should the NSC know about it?

A Why?

m30

Q Yes.

A Are you kidding?

Q No, I mean that is a serious question. Why would the NSC be briefed on a case like this?

A You just take a look at the memo itself. [redacted]

Q And what was it about the NSC's role that made them a subject for that information? What was it that the NSC was to do with that information or what was its connection with those issues?

A I don't know. It just struck me that those are the kinds of things that the National Security Council takes a look at, activities in foreign countries involving sensitive interests of the United States. They are talking about -- there is stuff in here that said, for example on March 5, '86, Terrell was interviewed by New Orleans FBI, claimed knowledge of an assassination plot and CMA plan to attack embassies; although he stated target embassies were Embassy in Costa Rica as well as the Soviet

Embassy in Costa Rica. I would hope the National Security Council would want to know about talk like that.

Q Let's look at page 3 if we could, of the memo.

A Furthermore, it was being looked at by the Internal Securities Section of the Department which handles espionage and the things that impact on national security.

Q Let's look at page 3 of the memo if you would, in the first full paragraph, second sentence, developments have been promptly disseminated to interested affected agencies including the Departments of Justice and State, CIA, ATF, [redacted] and the Immigration and Naturalization Service.

A Yes.

Q Why did it not occur to the FBI to brief the NSC?

A You would have to ask the FBI. I don't know.

Q Is it clear from that that the FBI didn't consider the NSC an interested affected agency?

A No, it's not clear to me at all.

Q Whose decision was it to give a heads up to the NSC?

A I don't know.

Q Do you recall whether it was your decision?

A Mine? No.

Q Do you recall it was not your decision?

A It wasn't my decision at all. This was communicated to me by Mr. Jensen, I don't know whether it was the NSC's request to him or whether he thought that he ought to go over and tell the NSC about it. I just don't know what generated it. It may well have been generated inside the NSC, somebody was asking what this was all about.

Q Now then the memo is addressed to the Deputy Attorney General and that would be Mr. Jensen, is that right?

A Right.

Q And it's dated March 20, '86?

A Right.

Q Having looked at this memo and the routing slips assorted with this, does this refresh your recollection as to when you first learned of the case?

A No.

Q Do you know if you had any prior knowledge before receiving, before March 20, 1986?

A Yes, I probably did.

Q That doesn't -- when you say probably, do you have any fixed recollection of having been aware of this case at the time?

A No, I don't. It was on or about that -- sometime around then but precisely when it was I can't tell you.

m33

I would just be guessing and pulling things out of the air.

Q All right. Do you know if Mr. Richards, Richard, had any prior knowledge of it?

A You would have to ask Mark.

Q You don't recall whether you were advising him for the first time or whether you believed you were advising him of it for the first time?

A My vaguest of recollections is that he already knew about it, too.

Q Then the next sentence says he would like to watch over it, is that right? This is your handwritten note.

A He would like us to watch over it.

Q Us to watch over it. What did you understand you were to do? What did you mean by watch over it?

A Keep an eye on it, monitor it, if we saw anything that looked like it was getting out of control or somebody needed help to assist the neutrality statutes and matters like that are very complex and Mark Richard is a wizard when it comes to stuff like that, and this was Jensen's way of making sure that the best people in the Department were making sure it was done right.

Q Then the last sentence, would you read it? Your handwriting is not --

A Call Kellner, find out what is up, and advise him that decisions should be run by you.

Q By decisions "run by you", what decisions were you referring to?

A Any major decisions.

Q Decision to indict?

A Yes, decision to decline, stuff like that.

Q A decision to go to a grand jury?

A I wouldn't necessarily have thought that would have been one.

Q That would have been one that normally Mr. Kellner - you would have expected Mr. Kellner to make?

A Sure. Absolutely.

Q Okay.

A I have to tell you that people seem to be looking for Lowell Jensen up to no good and you won't find that. I have known this man for years, and the guy is Mr. Integrity.

Q I have no reason to doubt that.

There is a reference in the last paragraph to departmental attorney Thomas Marum.

A Yes.

Q He is with the Department of Justice Criminal?

A He works in the Internal Securities Section of the Criminal Division and he is probably -- one of the guys that was assigned to this system, DOJ coordinator. A lot of things like the Neutrality Act and Espionage Act, you probably know this, in order to work with these you have to keep in contact with John Martin in the Criminal Division. You can't field espionage charges without approval of John Martin's shop and stuff like that. It's a standard procedure.

Q And that coordination would have taken place between FBI and Mr. Marum or would it have taken place between Mr. Kellner's office and Mr. Marum?

A Looks like mostly FBI and Mr. Marum which is the way the Bureau works those things usually.

Q Would Mr. Kellner's office, that is Mr. Kellner's and the Assistant, Jeffrey Fellman in his office working on that case, be aware of Mr. Marum's involvement?

A I don't know.

Q As a normal operational matter, would there be communication between Mr. Marum and --

A There could be. I just don't know whether you can discern a pattern in those things. There could be. There probably was but again that is just a total guess. The only way to find out is to ask Feldman, Kellner or Marum. I have never talked to Marum about this.

Q In the context of the investigation that took place --

A Of what case?

Q The investigation that took place starting

November, your involvement started November 24, '86. This was the Iran-contra investigation.

A Mine started the 25th.

Q 25th, sorry.

Do you recall -- there is a reference in your notes to no leaks, and the importance of not having any leaks in the investigation.

A Yes.

Q Do you recall just generally that note? I don't think there is any need to refer to it.

A Yes.

Q Do you ever recall the Attorney General discussing leaks with Mr. Richardson in particular?

A On this thing?

Q On this matter, yes. Let me rephrase the question because it may be a little awkward. Do you ever recall the Attorney General discussing leaks by Mr. Richardson on this matter?

A By Mr. Richardson? No.

Q By Mr. Richardson?

A No. John Richardson is -- well, he is the one that usually discusses leaks, they anger him. So I have no recollection at all of the AG discussing leaks from Richardson.

Q Are you aware of any person in the Department of

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Justice speaking with a reporter by the name of Murray Waas on the night of November 24?

A Murray Waas?

Q Murray Waas; on the night of November 24, the evening before the Attorney General's press conference on the 25th. I know you were not in the loop at this point but did anyone ever discuss any conversation with a reporter by that name?

A No, because I don't even know that name. For whom does he report?

Q He is I suppose they call in the trade a stringer.

A How do you spell Waas?

Q W-a-a-s.

A Nope.

Q I think that is all I have.

MR. BUCK: I don't have any questions.

THE WITNESS: Pam?

MS. NAUGHTON: You will be disappointed, but, no.

THE WITNESS: You don't have any other questions?

MS. NAUGHTON: No. If we can hold you for one second we would like to get these Xeroxed so you can take back the original.

THE WITNESS: Sure.

MS. NAUGHTON: Thank you.

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(Whereupon, at 4:40 p.m., the deposition was adjourned.)

Original

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Stenographic Transcript of

HEARINGS

HSIS 066 87

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

TESTIMONY OF JAMES L. TULL

Wednesday, May 6, 1987

Declassified/Released on 22DEC87
under provisions of E.O. 12356
[redacted] National Security Council
K. JOHNSON

Washington, D.C.

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WASHINGTON, D. C. 20001

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TESTIMONY OF JAMES L. TULL

Wednesday, May 6, 1987

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
Washington, D.C.

Interview of JAMES L. TULL, a witness herein, called for examination by counsel for the Select Committee, pursuant to notice, the witness being duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, at the ninth floor, Hart Senate Office Building, Washington, D.C., at 1:09 p.m., Wednesday, May 6, 1987, and the proceedings being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

Partially Declassified/Released on ____________
under provisions of E.O. 12356
by [redacted], National Security Council
K. JOHNSON

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THE WITNESS: Thank you.

(Whereupon, at 8:25 a.m., the taking of the instant deposition ceased.)

1 May 85 6/1/85
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~~TOP SECRET~~

N 10598

May 1, 1985

~~TOP SECRET~~ **SENSITIVE**

MEMORANDUM FOR GENERAL JOHN W. VESSEY, JR.
The Chairman, Joint Chiefs of Staff

FROM: OLIVER L. NORTH

SUBJECT: FDN Military Operations

Attached at Tab A is a summary analysis of how the FDN has expended funds which have been made available since USG funding expired in May 1984. From July 1984 through February 1985, the FDN received $1M per month for a total of $8M. From February 22 to April 9, 1985, an additional $16.5M has been received for a grand total of $24.5M Of this, $17,145,594 has been expended for arms, munitions, combat operations, and support activities. No additional funds have been received by the FDN since April 9 even though there is a commitment for a total of $25M. The following information is noteworthy:

-- most expenditures have been for purchases of arms, ammunition, and other ordnance items;

-- the $2.5M indicated for upkeep of base camps on the [redacted] borders includes costs of approximately $350K per month (an expense which will increase as the number of recruits continues to grow) and $50K for the operation conducted in Managua against the ammunition depot at the EPS military headquarters;

-- the funding has allowed the growth of the resistance from 9,500 personnel in June 1984 to over 16,000 today--all with arms;

-- when the May 1985 sealift arrives ($5M has already been deposited for this delivery), an additional 6,000 fighters can be equipped and fielded after a 3 week training period;

-- the relocation of base camps along [redacted] border has been ordered for mid to late April 1985 in order to disperse the target for a Sandinista attack (cost for this relocation have not yet been fully quantified);

-- the acquisition of two small transport aircraft at the cost of $186K is prudent given the increased patrolling activity by the EPS along [redacted] border, thus complicating trail-borne resupply for columns operating deep inside Nicaragua.

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under provisions of E.O. 12356
by B. Reger, National Security Council

VESSEY
EXHIBIT
#1

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N 10599

~~TOP SECRET~~ 2 SENSITIVE

Summary of Operations to Date

The FDN has grown nearly twofold since the cut-off of USG funding. In this period, they have reoriented from conventional to guerrilla warfare tactics. Despite the lack of any internal staff organization (G-1, G-2, G-3, G-4) when the USG withdrew, the FDN has responded well to guidance on how to build a staff. Although there was a basic lack of familiarity with how to conduct guerrilla-type operations, since July, all FDN commanders have been schooled in these techniques and all new recruits are now initiated in guerrilla warfare tactics before being committed to combat. In short, the FDN has well used the funds provided and has become an effective guerrilla army in less than a year. The listing of combat operations at Tab B (confirmed by signals intelligence) is indicative of what the FDN has been able to accomplish with funds already made available. It is important to note that although funds started to flow in July, purchases made possible by this funding did not arrive in FDN hands until October 1984.

Future Operations

Plans call for remaining resources on hand ($7,354,000) to be used as follows:

-- increasing the force to a total of 25,000 by mid-Summer;

-- a major special operations attack against Sandino airport with the purpose of destroying the MI-24 helicopters and the Sandinista Air Force maintenance capability;

-- a major ground operation against the mines complex in the vicinity of Siuna, Boranza, and La Rosita (Nicaragua)--the purpose of the operation is to secure the principal lines of communication in and out of Puerto Cabezas; and

-- the opening of a southern front along the [redacted] border which will distract EPS units currently committed to the northern front.

It is apparent that the $7M remaining on hand will be insufficient to allow the resistance to advance beyond these limited objectives, unless there is a commitment for additional funds. The $14M which the USG may be able to provide will help to defray base camp, training, and support expenses but will not significantly affect combat operations until several months after Congressional approval due to lead-time requirements. Efforts

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should, therefore, be made to have the current donors deliver the remainder of their $25M pledge ($8.5M) and to seek an additional $15-20M which will allow the force to grow to 35-40,000. If a commitment for these funds is made between now and June 1985, supplies could be ordered in July, allowing the force to reach these levels by the end of October 1985.

Recommendation

That the current donors be approached to provide the remainder of their $25M pledge and an additional $15-20M between now and June 1, 1985.

Attachments
    Tab A - Summary Analysis of FDN Expenditures
    Tab B - Summary of Combat Operations: Oct 1984-Mar 1985

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N 10601
As of April 9, 1985

FDN Expenditures and Outlays

July 1984 through February 1985

Quantity	Item	Cost
Independent Acquisition		
[redacted]	G-3 rifles	[redacted]
[redacted]	Magazines	[redacted]
[redacted]	Rounds 7.62 x 51	[redacted]
[redacted]	Rounds 7.62 x 51	[redacted]
[redacted]	Hand grenades	[redacted]
Airlift #1 - February 1985		
[redacted]	81mm grenades	[redacted]
[redacted]	60mm grenades	[redacted]
[redacted]	50 cal API	[redacted]
[redacted]	Rounds 7.62 x 39	[redacted]
[redacted]	Rounds 7.62 x 51	[redacted]
	Freight, Demurrage, Ins., etc.	[redacted]
Airlift #2 - March 1985		
750,000	Rounds 7.62 x 39	$ 210,000
1,000	RPG-7 grenades	265,000
8,910	Hand grenades	84,645
60	60mm mortars	96,000
1,472 Kgs	C-4	47,104
[redacted]	Fuses and detonators	[redacted]
[redacted]	G-3 rifles	[redacted]
[redacted]	G-3 magazines	[redacted]
[redacted]	Cleaning kits	[redacted]
[redacted]	60mm grenades	[redacted]
[redacted]	50 cal links	[redacted]
	Freight, Demurrage, Ins., etc.	[redacted]
Sealift #1 - April Arrival		
[redacted]	RPG-7 rockets	$ [redacted]
[redacted]	Rounds 7.62 x 39	[redacted]
[redacted]	Rounds 7.62 x 51	[redacted]
[redacted]	Belts for 7.62 x 39	[redacted]
[redacted]	SA-7 launchers	[redacted]
[redacted]	SA-7 rockets	[redacted]
[redacted]	M-79 grenades	[redacted]
	Freight, Ins., and other exp	[redacted]
[redacted]	M-79 grenades	[redacted]

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TAB A

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FDN Expenditures and Outlays
July 1984 through February 1985 (Cont'd...)

Quantity	Item	Cost
Sealift #2 - May Arrival		
[redacted]	Rounds 7.62 x 39	
[redacted]	Rounds 7.62 x 51	
[redacted]	Rounds linked 7.62 x 51	
[redacted]	Hand grenades	
[redacted]	M-79 grenades	
[redacted]	60mm grenades	
[redacted]	81mm grenades	
[redacted]	82mm grenades	
[redacted]	RPG-7 rockets	
[redacted]	Claymore mines	
[redacted]	50 cal API	
[redacted]	12.7 ammo	
[redacted]	57mm recoilless rifles	
[redacted]	57mm ammo	
[redacted]	Anti-tank mines	
[redacted]	G-3 rifles	
[redacted]	G-3 cleaning kits	
[redacted]	AK rifles	
[redacted]	G-3 magazines	
[redacted]	AK magazines	
[redacted]	Swedish K magazines	
[redacted]	HK-21 machine guns	
[redacted]	RPG-7 launchers	
[redacted]	M-79 launchers	
[redacted]	9mm pistols	
[redacted]	AK-39 links or belts	
[redacted]	C-4	
[redacted]	Fuses and detonators	
Deposit paid		[redacted]
Estimated cost		
Miscellaneous Expenses Since July 1984		
[redacted]	Uniforms	[redacted]
	Boots	[redacted]
	Radio and comm equip	[redacted]
	Air and ground transp	[redacted]
	Military gear	[redacted]
	Aid to southern front	[redacted]
	Aid to Misuras	[redacted]
	Food, family asst, upkeep of base camps, air force hospitals, etc.	[redacted]
	Political activity - offices in various countries and cities, travel, p.r.	[redacted]
	Acquisition two transp airplanes	[redacted]

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[redacted]

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SYSTEM IV
NSC/ICS-400215

THE WHITE HOUSE
WASHINGTON

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March 11, 1985

N 7187
SENSITIVE

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

THE HONORABLE WILLIAM J. CASEY
The Director of Central Intelligence

GENERAL JOHN W. VESSEY, JR.
The Chairman, Joint Chiefs of Staff

SUBJECT: Assisting [redacted] Progress toward Democracy (C)

During my brief stop in [redacted] made a convincing case for their commitment to democracy. They also noted their critical need for relatively small amounts of security assistance, economic aid, and support for their struggling agricultural sector. (C)

In recent weeks, there appears to have been an increase in guerrilla attacks and subversion. It is entirely likely that we will see more polarizing activity of this kind as the [redacted] elections approach. Unless the Army has adequate support, certain elements [redacted] may use the guerrilla action as a reason to defer elections or to justify counter-productive, repressive measures. Unfortunately, the Congress only provided [redacted] in FY-85 IMET funds from the Administration's [redacted] security assistance request. While the FY-86 request for [redacted] in security assistance provides hope for the future, it would seem that we need to look for ways in which we can help [redacted] between now and their elections. (S)

It is, therefore, requested that State take the lead in developing imaginative alternatives [redacted] can be provided with assistance to improve their security situation. We should consider [redacted] as well as activities by other U.S. agencies which could have a positive effect on internal security conditions. [redacted]

Our goal in all of this should be to provide all possible assistance to [redacted] progress toward democracy. (S)

Robert C. McFarlane

Robert C. McFarlane

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Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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VESSEY EXHIBIT #2

N 7188

UNCLASSIFIED

[redacted]

N 7189

S/r. [redacted]

CERTIFICACION DE DESTINO FINAL

[redacted]

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) rifles automáticos, los cuales serán destinados para uso exclusivo del Ejército de [redacted] y - no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

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under provisions of E.O. 12356
by K. Johnson, National Security Council

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[redacted]

N 7190

CERTIFICACION DE DESTINO FINAL

[redacted]

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) libras de explosivo (HE) - C4 o TNT y UN MIL QUINIENTOS (1,500) detonadores variados, los cuales serán destinados para uso exclusivo del Ejército de [redacted] [redacted] y no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

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[redacted] N 7191

CERTIFICACION DE DESTINO FINAL

[redacted]

[redacted] 14 de febrero de 1,985.

S.Sores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será destinado para uso exclusivo del Ejército de [redacted] y no será reexportado ni vendido a otro país, siendo [redacted] el destino final:

A. 150 ametralladoras
B. 150 morteros de 60mm. -completos-.
C. 100 morteros de 81mm. -completos-.
D. 150 lanzagranadas M-79
E. -30 fusiles sin retroceso de 57mm.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

[illegible] National Security Council

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[redacted]

N 7192

CERTIFICACION DE DESTINO FINAL

[redacted]

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por éste medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será destinado para uso exclusivo del Ejército de [redacted] y no será reexportado ni vendido a otro país, siendo [redacted] el destino final:

A. 10,000 granadas M-79.
B. -3,000 granadas de 60mm.
C. -2,000 granadas de 81mm.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

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[redacted]

N 7193

CERTIFICACION DE DESTINO FINAL

[redacted]

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATINAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será destinado para uso exclusivo del Ejército de [redacted] y no será reexportado ni vendido a otro país, siendo [redacted] el destino final:

A. 3,000 granadas RPG-7.
B. --100 lanzagranadas RPG-7.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

[illegible] 10 FEB 88
[illegible]
[illegible]

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[redacted]

N 7194

CERTIFICACION DE DESTINO FINAL

[redacted]

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) minas anti-personales y UN MIL (1,000) minas antitanque, las cuales serán destinadas para uso exclusivo del Ejército de [redacted] y no serán reexportadas ni vendidas a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

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[redacted]

N 7195

CERTIFICACION DE DESTINO FINAL:

[redacted]

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por TRES MIL (3,000) LAW ROCKETS, que vienen destinados para uso exclusivo del Ejército de [redacted] y no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

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[illegible] of E.O. 12356
[illegible] National Security Council

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[redacted]

N 7196

CERTIFICACION DE DESTINO FINAL

[redacted] [redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ (10) lanzacohetes tierra-aire y CINCUENTA (50) misiles tierra-aire, los cuales vienen destinados para uso exclusivo del Ejército de [redacted] y no serán reexportados ni -- vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

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[redacted]

[redacted]

N 7197

s/r.

CERTIFICACION DE DESTINO FINAL

[redacted]

[redacted] 14 de febrero de 1985.

Señores ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por CINCO MILLONES (5.000,000) de cartuchos Ball Ammo, calibre 7.62mm., los cuales serán destinados para uso exclusivo del Ejército de [redacted] y no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme de ustedes atentamente.

[redacted]

[illegible] 10FEB88
[illegible] E.O. 12356
[illegible] National Security Council

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N 7198-

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[redacted] MILITARY EQUIPMENT REQUIREMENTS

N 7199

The following military equipment and services have been identified as the highest priority [redacted] Army in combatting the Communist guerrillas. They are listed in sequenc of highest to lowest need within each category.

Aircraft:

-- New or refurbished helicopters and spare parts for existing inventory.

-- Spare parts for fixed wing cargo aircraft.

-- New or refurbished ground attack aircraft and spare parts for existing inventory.

-- New trainer aircraft and related spare parts.

Ground Forces Equipment:

-- Communications equipment, including secure voice systems.

-- Various vehicles for troop and logistical transport.

-- Engineering equipment, including bulldozers, road-graders, and survey instruments.

Weapons and Munitions:

-- Light and medium weapons, including M-16 rifles, M-60 machine guns, pistols (9mm and .45 caliber), 81mm and 60mm mortars, and 90mm recoilless rifles.

-- Ground force munitions, including mortar, recoilless rifle, and artillery rounds, assorted mines and explosives, and 7.62 x 51 linked ammunition, plus hand grenades.

-- Aerial munitions, including 200 and 500 pound bombs and 2.75 inch rockets with appropriate warhead mixes.

Additional Non-Tactical Supplies and Equipment:

-- Field hospital equipment, general medical supplies, and training for paramedics.

-- Tactical radars for use in detecting border infiltration.

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of E.O. 12356
Security Council

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WASHINGTON THE DISTRICT OF COLUMBIA

1/3/85

SYSTEM II
90012

3 JAN 1985

Bud

MEMORANDUM FOR ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: U.S. Policy Toward Nicaragua (U)

(C) I believe it urgent that we update our policy toward Nicaragua. In particular, when Congress returns, we will have to address the problem of funding for the Freedom Fighters.

(S) So far as I know, your four objectives for Nicaragua (established by NSDD 124) are still fully valid:

- genuine implementation of democracy;
- verified end to export of subversion;
- verified removal of Cuban/Soviet bloc personnel; and
- verified reduction of Nicaraguan military forces to regional parity.

(S) There seems to be no prospect of accomplishing these objectives without improved assistance to the Freedom Fighters. This calls for planning to generate the requisite Congressional approval. We may wish to consider mixtures of support: overt and "covert"; direct and indirect (through third countries for example); political, humanitarian, and military. The Joint Chiefs of Staff share my view that our support for the resistance to the Sandinistas must continue and also that we must bring our political, diplomatic, and economic strength to bear.

(C) I recommend that you have an NSPG meeting scheduled, as soon as feasible in January, to develop an updated approach toward Nicaragua, with particular focus on an effective approach to Congress.

Cap

799

cc: Chairman, JCS

~~CLASSIFIED BY: DIR, IA RGN~~
~~DECLASSIFY ON: OADR~~

Vessey Ex. #3

Partially Declassified/Released on 12 Mar 87
under provisions of E.O. 12356
by B. Reger, National Security Council

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HSIS-46/87

THOMAS

SPRADLING

DEPOSITION OF WILLIAM GRAHAM WALKER

Thursday, May 21, 1987

U.S. House of Representatives,
Select Committee to Investigate
  Covert Arms Transactions with Iran,
Washington, D. C.

The Committee met, pursuant to call, at 4:00 p.m., in Room B-352, Rayburn House Office Building, Terry Smiljanich presiding.

Present: Tim Traylor, Special Agent, FBI, on behalf of the House Select Committee.

Terry Smiljanich, Associate Counsel, on behalf of the Senate Select Committee.

Partially Declassified/Released on 21 DEC 87
under provisions of E.O. 12356
by [redacted] National Security Council
K. JOHNSON

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Whereupon,

WILLIAM GRAHAM WALKER, was called as a witness, and after having been first duly sworn, was examined and testified as follows:

MR. SMILJANICH: Okay, on the record. Firstly, let me say before we get started, that I understand the reporter with us today is a notary in the Commonwealth of Virginia and the State of Maryland and I have no objection to this reporter administering the oath for the purpose of this deposition, and I have no objection to the form of the oath.

EXAMINATION

BY MR. SMILJANICH:

Q This is a deposition being taken by both the Senate Select Committee on the Iran contra matter and the House Committee. I represent the Senate Committee. Tim Traylor is here representing the House Committee.

Mr. Walker, I am going to ask you some questions concerning your knowledge about certain matters. If you do not understand any of my questions, please let me know that you don't understand them and I will be happy to rephrase them.

A I will.

Q Firstly, for the record, state your full name.

A William Graham Walker.

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Q And you are currently Deputy Assistant Secretary in the Bureau of Inter-American Affairs?

A Yes, I am.

Q Is that a deputy assistant secretary position that encompasses a specific subsection of the Inter-American Affairs?

A Yes, my area of responsibility is loosely described as Central America, loosely described because it includes Panama.

Q Panama is not in Central America.

A No, Panama is not in Central America.

Q You report directly to Assistant Secretary Elliott Abrams?

A Yes, I do.

Q And under you, what is the organization under you in Central America?

A For most of the time I have been there, I have been responsible for supervision of one country directorate, it is called the Country Directorate for Central American Affairs, headed by an officer called Richard Melton. He has three deputy assistants under him, plus I believe roughly 18 desk officers for the various countries.

Q What are your duties as Deputy Assistant Secretary for Central America?

A I generally have responsibility for oversight and direction of the Office of Central American Affairs, that is, our geographic desk which handles the bilateral relations with the countries of Central America, the multilateral affairs that involve any and all of the countries of Central America and the United States.

Q And you have been Deputy Assistant since July '85?

A The exact date I have my entry on duty was, I believe yes, July 21, something like that, 1985.

Mid July, '85.

Q When you accepted your position as deputy assistant secretary, was there a restricted inter-agency group in existence which dealt with Latin American matters?

A Yes, there was.

Q What was the structure or organization of the RIG when you first came on as deputy assistant secretary?

A The RIG throughout my tenure was a variation on theme of an inter-agency continuing committee. The RIG that I sat in on dealing with Central American Affairs usually consisted of representatives from the NSC, the State Department, the Pentagon, the Joint Chiefs of Staff.

Q Did you say the Agency?

A The Agency, Central Intelligence Agency.

Q How often did the RIG, this RIG, when it dealt with Central America, how often has it met during your tenure on average?

A Really there would be no average figure. I think I was told when I arrived on the job that they tried to meet once a week. Sometimes they would be called together, we would be called together several times a week. Sometimes it would go for two or three weeks without a meeting.

During periods of intense activity, they might gather as often as twice a day. No set time of the week or no set day of the week when they met.

Q On the RIGs that you attended, who were the usual participants from the various agencies?

A This varied over time. When I started out, from the NSC, it was Ray Burkhart, who was the Latin American expert on the NSC staff. Colonel North from the Agency. It was [redacted] head of the Central American Task Force and his supervisor who occasionally sat in, [redacted] From the Joint Chiefs of Staff, it was Admiral Moreau ~~M-o-r-r-e-a-u,~~ since deceased.

From the Pentagon, it was almost always Nestor Sanchez, quite often accompanied by a Colonel Steve Kroker, I believe is the way he pronounces it.

From the State Department it was, which usually chaired the meeting, it was the Assistant Secretary, Elliott Abrams, myself and quite often, the Senior

Deputy Assistant for the Bureau, Jim Michael.

Did I cover all the agencies?

Q I think you did.

Were minutes or notes kept of the RIG meetings that you attended?

A No, there were not.

Q What was the purpose of the RIG?

A The RIG meeting was a sort of offshoot as I understand it of the IG system which was the inter-agency coordinating mechanisms. The IG which also met from time to time, and occasionally dealt with Central American matters, sort of co-existed with the RIG. The RIG as its title implies the restricted inter-agency group was supposed to be the key players from the various agencies that dealt with Central American Affairs and it was a coordinating mechanism, exactly that.

Q Was there a smaller working group exposed of fewer members of that same rig that dealt specifically with matters involving the Nicaraguan resistance?

A The RIG itself, when it met on Central American affairs, dealt with many issues having to do with Nicaragua. There was no formal smaller group but people have referred to a mini-rig or a smaller informal group that sometimes met. Yes, there was.

Q And who usually comprised that smaller group?

A As I say the smaller group was sort of an ad hoc thing that would come together more often at the end of a regular RIG session. It came together most often because the RIG itself in spite of its restricted title seemed to grow and become unwieldy, the conversation tended to drag on interminably, decisions tended not to be made. If they were made they were confusing. So quite often three or four of the key players would stay behind and talk about some of the issues that had just been discussed, or other issues. Those key players were most often Elliott Abrams, [redacted] from the Agency, sometimes with his boss, sometimes not, and Ollie North, occasionally Ray Burkhart would sit in, sometimes not -- I sat in on some of those and others I guess took place that I didn't sit in on.

Q Would it be fair to say that more often than not this smaller working group subcategory of the RIG, whatever you want to call it, comprised of Elliott Abrams, [redacted] [redacted] and Ollie North, as the usual three that met to discuss these matters?

A Yes, I would think if you looked at the list of participants in that over time, the most consistent pattern would show those three or those three plus Mr. or me or those three and four or a fifth person. Jim Michaels also would come into these meetings, drift in and drift out.

Q Can you give me any approximation of how often the smaller group would get together to discuss matters concerning the Nicaraguan resistance? Once a week, twice a month?

A I would say that a very rough approximation -- and this would only include the RIGs that I attended, you would be talking about maybe one out of every two RIGs would produce those three or four people staying afterwards to talk about other things. Quite often the smaller group came about as a result of the other players having to go back to their agency, grabbing their cars, this sort of thing, and it would be reduced to the people who really were on a day-to-day basis seriously involved in the Central American issues, including the Nicaraguan issues.

Q . Let me ask it this way. The reason I ask so many questions about this is that I can tell you there are four people, four various people who whenever they have described what they perceived of as the RIG, have said that the RIG they understood this RIG to be exposed of Elliott Abrams, [redacted] and Ollie North. Whether they are right or wrong, there must have been something to lead to perception among more than one person that the RIG which formally was composed of many more people, was actually as a working matter composed of just three people, and I just wonder what you can tell me. I can't tell you who the various people are, but what you can tell me what you observed there, whether or not these people are just out in left field or have any basis for their perception?

A There is a great deal of confusion even among the players themselves, the people who were ostensibly members of the IG or the RIG, and we haven't even discussed the SIG, and this smaller mini group that had no formal structure about it.

There were IGs, that dealt with any issue that was in Elliott Abrams' portfolio which includes all of the Western Hemisphere from Mexico south.

I would occasionally be called to attend some of those when the issue was something having to do with Central America.

Those groups were quite large and would bring in other players, sometimes from within the State Department, from the Pentagon, that were not participants in the RIG. That was why the RIG, I understand it was before my time was formed, to bring it down to more manageable size and only the major agenciesdealing with Central America were invited [illegible] named their representatives and those representatives were supposed to come and not send substitutes.

I assume at one time those people considered themselves members of a smaller group dealing with Central American issues, however this sort of mini group formed would come into being after many of the regular RIG meetings, maybe some of the other players perceived that as where the real decisions were made. The decisions were actually made throughout that system. I could not, if you gave me a decision that I sat and watched being made, I would have a hard time remembering in which forum it took place.

Q Let me see if I can paraphrase that and see if you agree with the accuracy of the statement.

The large RIG wasn't some front organization which everybody got together and talked and then the real people stayed behind when it was over with and made the real decisions and the large group was just a pro forma get together, but on the other hand the large group would sometimes make decisions, sometimes these three particular people very often would either stick around after the end of the meeting or would sometimes meet separately and would sometimes make its own separate decisions about matters, specifically concerning the Nicaraguan resistance, but that sometimes the decisions were made by large groups, sometimes they were made by the small group, there was nothing formal about any of this structure.

Is that fair to say?

A That is fair and correct.

Q When did you first hear about a secret airstrip down in Costa Rica somewhere?

A I might have heard reference to the existence of an airstrip or building an airstrip by people friendly to the contras, earlier, my first real recollection of the existence of an airstrip in Costa Rica was at the time there was going to be a press conference by the Director of Public Security in Costa Rica, and I was up at the United Nations with Elliott Abrams when this appeared in the New York Times.

So it would have been in September of 1986 when the UN General Assembly got started and we would go up sort of en masse to hold bilateral talks with the various Latin American governments.

Q There were RIG meetings throughout the fall of '85 concerning the startup of the Nicaraguan Humanitarian Assistance Office, some of which you attended; is that correct?

A Yes.

Could I answer?

Q Yes.

A I arrived in my job just after the Congress had decided to supply $27 million in humanitarian assistance to the resistance. The first three, four, five months that I was on the job, a very sizeable portion of my time went into trying to formulate a system to implement that piece of legislation. I spent the first month trying to just get on top of the issue what was $27 million in humanitarian assistance, what was it to be used for, coming up briefing the Congress on various plans to implement it, having some of them thrown out, going back and helping, talking to the RIG and the IG and people in the Department as to how we might put this all together.

So, yes, there were many meetings in the fall of '85 trying to establish the structure with which we would administer the $27 million and, yes, I participated in any that I was in Washington at the time as, especially where we are talking about that program.

Q Ambassador ~~Dumeling~~ Duemling kept notes of RIG meetings that he attended throughout this time period, one of the people who did and one of his RIG notes references it is October 1 or October 8, somewhere in there of '85, one of his RIG notes shows a list of attendees and it shows you as one of the attendees. It shows Elliott Abrams was not at that particular RIG meeting. I think Jim Michael was the chair of this particular RIG, and there is a reference in there under Costa Rica to an airstrip being built.

Do you have any recollection that during that time frame there was any kind of reference made at a RIG meeting to an airstrip being built in Costa Rica. In other words, does that jog your memory at all?

A As I said, there probably were references to an airstrip being constructed or having been constructed in Costa Rica. My memory of any such reference is very faint. I certainly don't recall it being at a RIG or a, certainly any specific rig. My faint memory would be of Colonel North mentioning that people who were trying to help the contras were trying to do something in northern Costa Rica with an airstrip which would let them supply drops into Nicaragua. But specifically that meeting, those circumstances it doesn't jog my memory.

Q Did you have any idea that there were actual negotiations going on [redacted] dealing with allowing such an airstrip to be constructed by private people?

A To the best of my recollection, no.

Q You have read about this airstrip, it is now being in the newspaper quite a bit and all, and Ambassador Tambs has been quoted in the newspaper about his role in connection with that airstrip.

Are you at all surprised that as Deputy Assistant you were not aware of the fact that our Ambassador to Costa Rica was engaged in such [redacted] matters?

A No, I am not surprised.

Q Why is that?

A Of the embassies that I had general responsibility for supervising, and liaisoning with, the embassy in San Jose, Costa Rica was by far the least known to me or the least understood by me. Ambassador Tambs was a political appointee, whereas with the other embassies, I would have once a week telephone conversations with either the DCM or the Ambassador. During the entire time he was there, I spoke to Ambassador Tambs twice on the phone and both times sort of to express our astonishment at some things he had done that were very surprising to us, and were unknown to us and were not what we would have thought he would be involved in.

On the three or four times I met Ambassador Tambs personally, a couple of times going through Costa Rica on visits and maybe once here in Washington when he was up in consultations, we really had no substantive discussions.

It is somewhat hard to explain, but Ambassador Tambs was sort of a mysterious figure to me. So in the hypothetical situation you are giving me that he was [redacted] helping people set up an airstrip, it does not come as a terrible surprise to me even though it is somewhat shocking.

Q Did you have any impression or belief that during

Ambassador Tambs tenure in Costa Rica, he was getting instructions from someplace other than the Bureau of Inter-American Affairs for his mission in Costa Rica?

A Without being able to point to anything very specific, yes, that was the general impression I had.

Q What was your impression, understanding it was just a general feeling, as opposed to specific facts, what was your impression as to where he was getting his guidance from?

A My impression was that his contacts in the White House and perhaps messages or signals received from the Central Intelligence Agency sort of combined to give him what he thought were his instructions.

Q The White House and the Agency?

A Yes.

Q You mentioned two occasions when you talked with Ambassador Tambs on the telephone. I think you said you were down there a few times, there were two times when you talked to him on the telephone during his tenure?

A Yes.

Q Describe for me each of those occasions?

A I am trying to remember the circumstances of the second one. Let me describe the first one.

The first one dealt with a cable that appeared out of the blue.

Q We have the cable. You don't have to try to guess. Late March?

A March, early April '86 which described a meeting he had had at the embassy with General John Singlaub in which Singlaub in turn talked about an agreement that he was trying to reach with Eden Pastora, having to do with U.S. assistance to Eden Pastora in return for meeting certain conditions.

Q Did you have any idea before this cable came in that General Singlaub was going to be meeting with Eden Pastora?

A No.

Q Go ahead.

A The cable on the face of it raised a lot of questions in my mind and in taking it to Elliott, in Elliott's mind -- a first reading and a second reading it looked as though our Ambassador in Costa Rica had lent the prestige of the embassy and the U.S. Government and his own to what appeared to be an agreement between a private U.S. citizen and a self-proclaimed contra leader for that contra leader to receive assistance.

Elliott Abrams as I remember took that cable up to the 7th floor immediately. I don't remember if he discussed it with the Secretary or just with Charlie Hill, the Executive Secretary of the Department. But when he returned he said that they had agreed with us that this was a very unusual thing to have happened, and we should query the embassy to find out greater detail as to exactly what had taken place.

If my memory serves me, the legal adviser was also brought in at about that time, Judge Sofaer. I believe it was the next day I was told to take the incoming cable up to Judge Sofaer's office and sort of brief him on this and tell him what we knew, but more importantly what we didn't know, which was this came out of the blue.

The judge agreed that we should send a follow-up cable to the embassy with very specific questions due to the appearance of possible illegality.

If I am not mistaken, Rick Melton was asked to draft the reply cable, the second cable in which we expressed surprise and chagrin that Tambs had put himself in this position, and then asked a series of questions.

A few days later a reply came back with his responses and our reaction to that was this is almost worse than the first cable, and again this was sent up to Judge Sofaer and if I am not mistaken, the Inspector General of the Foreign Service was at some point called in to this to take a look at it to see if the Ambassador specifically had really been out of line.

Whether anything happened after that I don't know. In the middle of that someplace, I called Ambassador Tambs and sort of said we really need your answers to this, this really looks kind of strange. As I remember he told me he had some other things he had to do and would get around to it, and I was telling him, look, damn it, this is very important, we need your answer, Judge Sofaer is involved, this is a very serious matter, whatever else is on your plate could not be as important as telling us what you have done.

That prompted his cable.

Q Did he talk to you on the phone about his explanation for any of this? Did he tell you what he had done?

A My memory is we were on the secure phone. I have virtually never had a conversation on the secure phone where you could really carry on a good conversation, it is a very poor system. I don't think we went into much beyond just talking about, hey, the cable that you sent in has stirred things up, we have sent you a strong reply, we need the answers, that sort of thing.

Q I want to come back to this in a minute. Do you recall the second time you had a telephone conversation with the Ambassador?

A No, but it was something along the same lines in which the embassy had not performed well. It was not as serious a matter, that is. I was calling up to say that damn it, we don't understand what you are doing down there, please tell us, and he sort of came back in kind and we didn't have a very successful phone call. Those were the two calls that I remember having direct conversation with Lou Tambs about substantive matters.

Q You don't recall the substance of the second conversation?

A No, I don't.

Q Going back to the first matter involving General Singlaub, shortly after this series of cables back and forth, General Singlaub had a series of meetings with Rick Melton, with Elliott Abrams, and there are various memos that were churned out as a result of these meetings, and you are shown as the memos being routed through.

My question is, were you present at any of those meetings?

A I was present at what I believe was the final meeting of that series which Singlaub came in and was seen by Elliott Abrams in Elliott Abrams' office. I had also been involved in that. Rick Melton had originally told me of a visit or phone calls from General Singlaub who said he was going out to [redacted] and was asking essentially if we had objections to his soliciting assistance for the contras from one or two of the governments out there that he had longstanding contact with.

When Rick Melton got that request he sent a memo I believe to Elliott through me, I am sure I saw it, I am sure I saw some subsequent memos because I understand Singlaub called Rick several times [redacted]

[redacted]

Q The final meeting, was this after he came back or before he left?

A This was after he came back.

Q Go ahead.

A I don't remember now because I haven't seen those memos since they passed over my desk in early '86.

Q Off the record.

(Discussion off the record.)

MR. SMILJANICH: Back on the record.

We are back on the record.

BY MR. SMILJANICH:

Q You have just gone through a series of memos dated at various times in May of '86 that concern these meetings with General Singlaub, both before and after his visit [redacted]. Having read those memos now, what can you tell me as far as your own recollection of your involvement in the various meetings which you understood were going on?

A If my recollection is correct, I met with General Singlaub in Elliott's office shortly after the problem had arisen in the Costa Rica context, and Singlaub essentially came in, whether at his request or our request I can't remember, to explain what had happened in Costa Rica with Ambassador Tambs and Eden Pastora.

I have a fairly specific memory of Elliott not wanting Singlaub to discuss his private efforts to get help to the contras, Elliott thinking that would be inappropriate. However, when Singlaub came in he did make reference to his contacts in [redacted] a little bit about his reasons for helping the contras. I have a recollection somewhat faint now that my impression was that General Singlaub thought we knew more about what he was talking about than we did.

Q You meaning concerning his private efforts?

A Yes.

My memory of the Melton memos and a lot of reference in there doesn't mean anything to me, and I have the impression, again somewhat vague, that I might have been traveling at that time and just sort of came in on that at various points. I do remember Rick telling me that Singlaub was going off to [redacted] and had made a request to him for guidance from either Elliott or the

U.S. Government. I remember seeing some of the memos that you just showed me but I can't recall having any knowledge of some of the explanations that were given to Singlaub, come back and I will tell you some important things. I don't know what those things are talking about. I have a feeling I was only there for bits and pieces of that exercise.

Q In the one meeting that you attended between Abrams and Singlaub, firstly, this was a meeting that took place before Singlaub was leaving for [redacted]?

A From the sequence of those memos I have to believe yes. Melton talks about a previous meeting with Singlaub and I think I was in the first meeting that Elliott had with Singlaub after the Costa Rica thing. So that in my mind means that it was an earlier meeting.

Q Do you recall whether or not Elliott Abrams gave General Singlaub an answer one way or the other concerning the sending of a signal to a foreign government that General Singlaub's efforts were sanctioned or authorized by the United States? By that I mean do you recall either way? In other words, either Elliott's answer telling him no, we can't do that or yes, we can do that?

A I have no distinct memory of that issue being in the conversation, although it might have been.

The majority of that meeting dealt with what had happened in Costa Rica and Singlaub told us why he thought Eden Pastora's involvement in the liberation of Nicaragua was essential, that he was perhaps the only national and internationally recognized figure. We talked a bit about problems the U.S. Government had had of time in dealing with Eden Pastora. We talked a bit about how Eden Pastora was trying to make himself eligible for the humanitarian assistance monies, but up to that point had not been able to do so and, therefore, was in fairly desperate straits in Costa Rica.

I had been as I said previously quite involved in the humanitarian assistance program. Specifically I had been quite involved in many of the events in which Eden Pastora tried to get his share of that $27 million. So I do remember quite a bit of discussion with John Singlaub about who he thought Eden ~~Pastron~~ Pastora was, and why he thought he should get U.S. assistance on the humanitarian side.

Q Do you recall what General Singlaub said about the role Ambassador Tambs played in that episode in Costa Rica? In other words, did he confirm what Tambs had said or have any new light on it?

A I don't have any exact memory of what he might have said.

Q At one of your interviews we have had in the past several weeks, you have made reference to a time at a meeting between Secretary Abrams and General Singlaub in which General Singlaub started to talk about his private resupply efforts, and Elliott Abrams cut him off, I think were the words you used, said he really shouldn't talk about that.

Is this the meeting you were referring to? I think you sort of said that just a while ago when you said General Singlaub was talking about his fund-raising efforts or whatever.

A Before the meeting took place, as quite often was the case, Elliottt asked me what might come up in the meeting with Singlaub. We were anxious to hear his version of what had happened in Costa Rica, and at some point in that process, Elliott conveyed to me that he did not want General Singlaub to be talking about whatever he was doing as a private citizen for the contras.

Whether or not at the meeting he actually cut him off I don't remember, but it was certainly on my mind through the meeting that Elliott did not want it to go in that direction.

As I say, General Singlaub did talk in very general terms, sort of gave us a little bit of history of how he had traveled a lot in [redacted] and gotten to know people in [redacted] places like and I believe I recall him saying, indicating by some words that that was where he was getting some help.

Q While General Singlaub was in [redacted] do you have any recollection of being apprised of any telephone calls that were going back and forth while he was over there?

A As I say, I remember Rick Melton telling me that he had either seen or talked to Singlaub on the phone, either before Singlaub had gone off to [redacted] or when he had first gotten to [redacted] Singlaub had posed certain questions which I believe were covered in the memos that he , Melton, received one or two follow-up calls from Singlaub presumably from [redacted] wherever he was, asking for replies.

Q But you don't recall what the substance of those conversations was supposed to have been?

A No, that is why I am relatively convinced I was either about to travel or had just traveled or was occupied with something else, because reading the memos and my memory, leads me to believe that Rick was dealing directly with Elliott and then got his reply off to Singlaub without it coming through me.

Q There are references that you saw toward the end of those memos concerning other things being in the offing, or other matters going on which preclude at that

SECRET UNCLASSIFIED

point his efforts in [redacted] Do you have any idea what those references are to?

A At this point, no, I don't. If I could talk to Rick for five minutes, he might say something that would make me remember, but reading the memos and my own private recollection doesn't lead me to any further light.

Q Fair enough.

Just to finish with General Singlaub, after the Hasenfus plane was shot down in Nicaragua, I believe you got a call shortly thereafter from General Sweitzer who was conveying a concern or message from General Singlaub about his name being linked to the mountain area, do you recall that?

A That is correct.

Q Tell me about that.

A After the Hasenfus plane went down, and we realized there were Americans on board, there were a couple of Americans killed, that sort of thing, there was naturally some speculation and guessing in my office, in Rick Melton's office, as to who might have been responsible for that aircraft being where it was when it was. At one point in the next couple of days, we thought of trying to get ahold of Singlaub to ask him if that was part of his operation and we were told, how I don't remember, that General Singlaub was in the Far East, I believe in the

UNCLASSIFIED

Philippines.

Rick Melton or someone in his shop might even have tried to get a call through to him unsuccessfully.

A few days later, I got a call from Retired General Robert Sweitzer, who I had never met, still haven't as far as I know, but who called me by my first name, said he was trying to get through to Elliott and wanted Elliott to know that he had been in touch with General Singlaub who was headed home or headed to Washington from his trip to the Far East, and he wanted us to know that Singlaub was very upset with the Department of State and with Elliott Abrams.

I asked him why, and he told me something to the effect that Singlaub was reading the newspapers and was coming to the conclusion that the State Department or people in the State Department were trying to make him, John Singlaub, a patsy for the downing of this aircraft, that it was not an aircraft that John Singlaub had anything to do with, and he was upset that newspaper stories were quoting informed sources in the State Department or high officials in the State Department and referring to this as a Singlaub operation.

I told Sweitzer that by all means, if Singlaub had such a complaint that he should come and see Elliott Abrams or me and that we would tell him as I was going to tell

General Sweitzer, that we were not trying to make anyone the patsy, we had no idea who or what was behind the Hasenfus flight. I suggested that someone in the Department might have been gotten to by a reporter and used the term "Singlaub operation" in the generic sense of the word, that General Singlaub was known far and wide as someone who solicited money and assistance for good causes around the world, and it was almost as I say a generic term for private assistance to resistance fighters and that maybe someone using in this way had been misinterpreted by the reporter or Singlaub's lawyer has misinterpreted reading the story and had taken offense when none was meant, if Singlaub would come in I would be sure Elliott would say something along the same lines.

Sweitzer took the point and said he still thought it was important for John Singlaub to talk to Elliott and a few days later, such a meeting was held and I sat in on the meeting.

Q And firstly before we go to that meeting, wasn't it in fact true that you were aware of the fact that the State Department had unofficially put out the word that this was a Singlaub or Singlaub-like operation. Were you aware of that?

A No.

Q Going forward to the meeting, you attended a

UNCLASSIFIED

meeting between General Singlaub and Secretary Abrams. What occurred at the meeting?

A Pretty much what you would expect. Singlaub described reading the newspapers in the Philippines and seeing his name associated with the Hasenfus doing and claimed he had no connection with it whatsoever, expressing his concern that newspaper stories were quoting State Department officials, unnamed, as having referred to him, and I gave him this thing about his name now being a household word and it was now a generic term for private assistance to freedom fighters.

Q And he seemed satisfied with that explanation?

A Yes. The meeting was not in any way confrontational or unfriendly.

Q Do you recall General Singlaub at all in this meeting saying words to the effect that he didn't mind being tied to the flight, even if he weren't tied to the flight, as long as he knew about it ahead of time that he was going to be playing that particular function?

A No.

Q In other words, acting as a lightning rod for other people?

A No.

Q You don't recall him saying anything like that?

A No, I don't.

UNCLASSIFIED

Q Okay, now let me go back now a couple of months to a meeting that took place in August of '86, when you were asked to accompany someone to a meeting at Don Gregg's office for the Vice President. Tell me your own best recollection of how you came to -- firstly, how you came to attend that meeting.

A Ambassador Ed Corr, American Ambassador in San Salvador, and someone that I served as Deputy Chief of Mission to between '82 and '85 in ~~[illegible]~~ La Paz, Bolivia, came to town on consultations in that week of August 1986. He went through a very busy round of meetings all over town, all the agencies dealing with his country, inside the Department of State, outside the Department of State.

Other than the meetings that I might have had with him one on one, or in Elliott's office, I did not participate in any of his except this one meeting in Don Gregg's office, in the old Executive Office Building. I attended essentially because Ed Corr asked me to be with him.

He was busy before the meeting, I was busy before the meeting, I really had no idea what the meeting was about until we were heading towards the old Executive Office Building. On the way over, Ed gave me the rationale for the meeting, which went something like this: He said that he, Ed Corr, had it had come to his notice that there was a fellow named Felix Rodriguez who was in

El Salvador, who had a contract under our military assistance program with the Government of El Salvador, the Air Force of El Salvador [redacted] but who also seemed to be involved in the private donor assistance to the contras [redacted]

Ed said that this operation was sloppy and could sort of blow up in the faces not only of the people involved in it [redacted] and that this fellow, Rodriguez, was going around saying that he had connections in the Vice President's office and this was very worrisome to Ed Corr and he wanted to sort of get to the bottom of it.

And my impression from, as we went into the meeting and my recollection as I think I described to you before, was that Ed Corr had asked for the meeting, that it was his initiation we were there.

Q Now then, when you then arrived at the meeting, firstly, tell me who you can recall being in attendance.

A My memory is that there was Don Gregg, these are for sure in my memory participants, Don Gregg, Ed Corr, myself, [redacted] Ray Burkhart, Lieutenant Colonel --

Q Earl?

A Bob Earl, from Ollie North's office.

I have a somewhat vaguer recollection that Colonel

James Steele, [redacted] was at the meeting.

Q What about Sam Watson?

A I have a vaguer memory of two other participants, one being Sam Watson, and it just occurred to me on the plane today coming up from Honduras that Don Mattis, who was a U.S. officer serving in the White House Press Corps, might have been at this meeting, but that is a vague memory.

If you check with Don and ask him if he was there, that would be the end of it. If he said he wasn't, then my memory would be incorrect.

Q Other people that were at the meeting, I don't think have mentioned him as a participant, for what it is worth. Tell me then your own best recollection of the course of the conversation there. Firstly, let me ask you this. Based upon the course of the conversation was it still your impression that this meeting was called together at Ed Corr's request?

In other words, did the meeting seem to confirm to you what you thought?

A Yes.

Q Tell me what you recall about the meeting?

A I vaguely recall Don Gregg saying some words of wisdom and turning it over to Ed Corr who gave in some detail what I have just described as what he told me was

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the purpose of the meeting, a fellow named Felix Rodriguez, a concern that [redacted] might take some hits if this somewhat shoddy operation were to come out and then specifically the fact that he, the Ambassador, was hearing, whether directly or indirectly I don't know, he was hearing that Rodriguez was telling lots of people that he, Rodriguez had connections in the Vice President's office, and that he, Ed Corr, wanted to know if that was true or not, and if it was true, if they could get back to Rodriguez and tell him that was not the wisest thing to do.

My memory is that Don Gregg confirmed that he knew Felix Rodriguez, had worked with him in Southeast Asia, as I recall, did know he was in Salvador, and did express concern that his friend, Felix, was using the Vice President's office or the Vice President's name to give him some importance or give him some protection or whatever, and my recollection is that Gregg essentially ended that part of the conversation by saying something to the effect well, the next time I see Felix I will communicate with Felix he had better knock that sort of stuff off.

[redacted] who was there, head of the Central American Task Force at the Agency, came in and said something to the effect that the private donor operation, this was

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typical of the private donor operation, amateurs, doing work that could really only be done by professionals, and that this sort of thing would be overtaken and reserved by our getting $100 million in the Congress, which at that point in time we were all assuming was going to happen fairly soon, and that this would drive the amateur operation out of business, and thank God that that would be the end of it.

I recall some conversation about the fact that the operation that Rodriguez was involved in was using terribly worn down aircraft, and it was only a matter of time before they all fell out of the sky and some reference to the fact that Rodriguez was perhaps thinking of trying to underload this equipment on the program once it started.

[redacted] said that this was a very bad idea, indeed that list of eligibility sources indicate that the equipment was well beyond the end of its natural life, and that under no circumstances would the Agency touch that stuff if and when they came into running the $100 million program.

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Q Go ahead. Let me see, why don't I ask you some specific questions here.

Do you recall hearing that Felix Rodriquez was concerned about other people who were involved in the private operation and names being brought up that were of unsavory characters?

A If that was mentioned, I don't remember it.

Q Do you recall the names of General Secord and Thomas Clines coming up as people who were involved in the operation which caused Don Gregg and others some concern?

A No, I do not.

Q Did the names Secord and/or Clines mean anything to you?

A They meant nothing to me at that time and to this day I am not sure who Tom Clines is. I obviously know who General Secord is from his recent television appearances.

Q In other words, if you had heard the name General Secord back then, it may not have stuck in your mind as something you could recall now six or eight or ten months later?

A That is correct.

Q Do you recall a concern that the private group of people who own these assets were hoping to have the agency purchase their assets with the $100 million new legislation and a concern thatthis would be a total ripoff to reimburse these people for this junk?

A Yes, that is what I was referring to earlier.

Q In other words---

A In terms of [redacted] saying no, no, we are not going to do that it is junk.

Q What he was referring to was the possibility of having the agency purchase this stuff?

A I assume so, since at that time we were all of a mind that agency would run the $100 million program when it kicked in and whether or not that was specifically said by [redacted] I don't know, but since he was saying no, no, no, I assume he was talking on behalf of the potential purchaser saying no, we don't want that equipment to be used in the new program because it is junk.

Q Do you recall Don Gregg or anyone else stating that his information was that the contras were being ripped off by several of the private people down there in the prices they were being charged for some of the equipment they were buying.

A No, I don't recall that.

Q What about specifically the fact a reference being made to three-dollar grenades being sold for nine dollars to the contras?

A I have no recollection of that.

Q I asked this last time, did you have any impression that Don Gregg had just met with Felix Rodriquez a few days before this meeting?

A I had no such impression.

Q From your independent recollection, it sounds like that it was Don Gregg who was being presented with this and saying yes, I confirm the fact he knows Felix Rodriquez?

A That is my distinct impression.

Q And it was your impression that the complaints were about Felix Rodriquez and his role with the private people as opposed to complaints by Felix Rodriquez about the private people?

A That is correct.

Q Do you recall what the outcome of the meeting was? Was there any decision made or task assigned in connection with this problem?

A The two outcomes I have already described. One was some judgment by Don Gregg that he would straighten out Felix Rodriquez in terms of dropping names in El Salvador that he shouldn't be dropping, and two, the [redacted] assurance that this sort of make-shift operation would disappear when and if the $100 million U.S. Government assistance program kicked in.

Q I mentioned the names of General Secord and Tom Clines. Do you recall the name of Raphael or ChiChi or

Ralph Quintero coming up?

A No, I don't.

Q Is that a name that would ring any bells anywhere?

A No, it doesn't.

Q Do you recall any reference being made to a person named Ed Wilson, who achieved some notoriety a few years ago by training Libyans and selling ex-supplies to Qadhafi? Do you recall that name being raised at this meeting?

A I know the name Ed Wilson. I know what he signifies. I have no recollection of his name being raised in this meeting.

Q Let me go back.

A I can say one other thing?

Q Please do.

A All through this meeting, as I think I have described, with some other meetings that I attended, I wasn't terribly sure why I was there. I wasn't terribly sure I knew some of the things that were being discussed about names, that sort of thing.

After the meeting I found out that Ray Burkhart had a similar disconnect.

Q As a matter of fact, he told you something to the effect; what was that all about?

A After the meeting he asked me sort of what was that about, and we sort of agreed that we didn't quite know what was going on.

Maybe there were others there in the same boat, I don't know.

Q What about the Ambassador, did you discuss the meeting with him after you all left, what his impressions were?

A No, I guess I can only assume now he was going off to the rest of his schedule and I went back to my office. I don't recall ever discussing that meeting with him again.

Q Go ahead.

A No.

Q A while ago I had made reference to the fact that Ambassador Duemling had kept some RIG notes. In that same RIG note which I just located, the date was October 1st, 1985, there is a reference in this notes to Ollie North bringin up the name of Felix Rodriquez at this RIG meeting as early as October of 1985. Does that jibes with your memory as you sit here as to when Felix Rodriquez became a name that was associated in any way with the contra effort in Central Amercia?

A I have no recollection of hearing that name Felix Rodriquez and associated it with anything prior to the meeting in Don Gregg's office in August of 1986.

Q What about the name Max or Maxi$\overset{m}{n}$o Gomez?

A Similarly, no recollection of that name until the Hasenfus downing of the plane and he mentioned someone named Max Gomez. I had never heard to this date Maxiño Gomez in connection with being the same person as Felix Rodriquez.

Q This RIG note reference is the fact that Ollie North said something about anybody who wanted to talk to Felix Rodriquez, AKA, Maxie or Maxiño Gomez, could use the phrase "Mr. Green sent me," sounds like something out of a cheap spy novel. Do you recall any such discussion of that at a RIG meeting?

A I swear no.

Q Actually the words were "Mr. Green said to call."

A No.

Q Well, I know these are going to be some broad questions, but everyone seemed to have had pretty good suspicions throughout the second part of 1985 and all through 1986, that Ollie North was awfully active in Central America and was engaged in unspecified things that people seemed to wonder about. There were press reports in August of 1985 that accused him of being a master mind of military planning for the contras, so there was a lot of publicity Ollie North was getting and a lot of general suspicion by various people about him and his activities. As a Deputy Assistant Secretary for Central America, it would seem that you would be somebody who would have some level of curiosity about that subject. What can you tell us about your impression of Ollie North and his activities thoughout that time period?

A As I mentioned earlier, I came aboard after the $27 million had been approved in humanitarian assistance. The very first day I was in the office, I was told to go to a meeting in Jim Michael's office in which some of the Central American mayors were going to discuss how we might set up a structure, what sort of structure, where, who would be on it, to administer the $27 million program.

I walked in and was introduced for the first time to [redacted], and to Oliver North and there might have been, Jim Michael was there, there might have been one or two ~~other~~ of the mayors. They had started a conversation dealing with how to administer the $27 million.

I walked in a total blank page as ~~at~~ to all of the -- and by the end of the meeting the decision had been reached that the structural, the office that was going to be set up to administer the $27 million was going to be in the National Security Council and it was going to have a certain form, it was going to have certain people in it, and a local number of decisions were made as to how the program would be administered.

A day or so later I was told to go up on the Hill and brief some of the committees that had been involved in voting for this assistance and to tell them how we were coming along in the planning.

The first meeting I was sent up to brief was chaired by Jack Brady who was the Chief of Staff of the House Foreign Affairs Committee. I remember when I got to the part where this office was going to be placed in the National Security Council, that Jack Brady and the other staffers in the office started laughing and said, we see what you are trying to do, you are going to put that $27 million in Ollie North's shop, he is going to really run with it.

When I left the meeting, I remember wondering what I had gotten myself into. I felt like an idiot because I just didn't know why this was so funny to everybody, and went back to the department and told Jim Michael and Elliott Abrams and others that this was going to have a very tough time up on the Hill putting it in the NSC.

They seemed to think that was synonymous with going to Ollie North and everyone seemed to think he was doing things that were aiding the contras and they weren't going to buy that.

We went back to the drawing board and came up with what was eventually a sort of semi-autonomous state office manned by mostly people from State and AID, and a few outsiders.

Through that process, I kept coming up to the Hill to brief on how it was shaping up and people kept warning me about letting Ollie be too close to this. From the beginning I assumed that people had this sort of feeling toward Ollie North. In the meantime I am meeting with him in various context a couple of times a week, RIG meetings, IG meetings, SIG meetings, and from everything he is saying, from everything he is doing in these meetings, he is impressing me with the fact that he is doing no more than he can in terms of support for the contras, the resistance.

By no more than he can, I mean he is, if -- if people come to him and ask him if they can support the contras, he would give them an answer that would not indicate that he was involved in aid to the contras. He would give them a general ~~genral~~ answer. I think several times I heard him express, I don't remember if it was the beginning or the middle or near the end, he would express the fact that he was doing nothing that was against the law, that everything he was doing was in conformity with the various restrictions placed on government officials doing things --

Q Let's stop there. Let me just interrupt your train.

Did he ever indicate he was running close to the edge or walking close to the edge of permissible conduct?

A I can't remember any specific comment to that effect, although my assumption was that, yes, he would be out there doing whatever was permissible but nothing not permitted.

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Q Go ahead.

A As I was briefing staff, committee members, on the Senate side, trying out the different arrangements we were hoping to put together, in that give and take I was finding out that not only was it a very complicated, cumbersome, difficulty to administer $27 million, but that many people up here on the hill had differing opinions on what was humanitarian assistance, what could we do to get it to them, where could we put people, what sort of controls would have to be in place?

I remember asking a group of staffers who all claimed they would be involved in the floor debate where the figure, $27 million, had come from and then had a different recollection of why that figure was chosen, and yet they in turn were asking me is $27 million enough.

"Is that too much? Is that not enough?" And my distinct impression was that no single person really quite knew with total precision what was permitted, what was not permitted. We were going to have to go back to the committees and make a request when we could do this or that as we went through the program.

There were infinite number of questions about if you buy the boots, can you pay for the transportation? If you pay for the transportation, can you pay for it just to the forwarding base or can you pay for it to go into Nicaragua. If the [illegible] is going in with a load of boots,

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can it also take something else? All these were questions that we would bring up to the intelligence committees trying to get guidance from them. These were questions that Bob Duemling was facing every day in bringing to the rig, via me or via Elliott -- this is probably why he took notes because he wanted to have fairly precise instructions.

In that context, yes, I was curious as to what North had done in the past because in the past he had been much more active ~~and~~ than in what his present role was, but nothing he said or did indicated to me that he was doing anything more than learning, giving moral support to the sort of people who were trying to help resistance fighters, which he considered had been blessed by Congress in terms of the $27 million that we were back in the business of helping them with human assistance.

Q Okay, fair enough.

How many trips did you take to Central America in which Ollie North was also a fellow traveler? That is not a good question.

How many trips did you take where he was along?

A I would have to go back and check vouchers and --

Q Roughly.

A I would say four or five.

Q Tell me what you can recall in very general terms about each of those, how many of those were large entourages of people going through several places, how many of those were that?

A Let's put it this way. I only made one trip with Ollie North, the two of us. All the other trips I made with him were in the context of groups most often doing the multicountry stops, most often down in a day or two, so you are talking about two or three hours in each of the Central American ~~countires~~ countries.

So you are talking if we made five trips, if I made five trips with them, four of them were of the big variety and one was of the individual variety.

Q Did any of the larger trips concern policy matters or meetings regarding the Nicaraguan resistance as opposed to bilateral discussions with various countries?

A Well, the big trips were generally to take the rig down to Central America. The best example of that was a week or two after John Poindexter became new national security adviser, it was thought it would be good to expose him to Central America and Central America to John Poindexter.

It would demonstrate the high priority that Central America would be assuming in John Poindexter's work plans and that was Panama, Costa Rica, Honduras, maybe one or two countries. We did four countries in 24 hours.

The most typical stop-over would have been to see the ambassador for the country team out there to tell us what the situation was in terms of the hospital, the country and since all of those countries with the exception of Panama had some direct relationship to the Nicaraguan problem that was obviously a subject of discussion virtually every stop.

Q In the series of meetings in which John Poindexter was involved, that particular series of mettings, were you present for any discussions between Admiral Poindexter and other people concerning a request that the various countries do certain things to aid the contras?

A No.

Q Asking for them to facilitate in some way, for example, through end user certificates or sales of weapons to the contras, anything like that.

A No. Again, from the perception of my involvement which had to do with the humanitarian assistance, there were questions about whether ~~hujanitarian~~ humanitarian assistance could [redacted] for that matter. If there were any references in any conversations during that trip about aid to the resistance, anything that I heard had to do with [redacted] our getting the $27 million in

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assistance to the contras.

Q Now the one trip you took down with just Lieutenant Colonel North, did that trip -- first, where was it to?

A [redacted]

Q Did that trip have anything to do with matters concerning the Nicaraguan resistance?

A Again, I would have to go back and look at the timing of the trip and right now I have absolutely no recollection when we made that trip, but it came after something that shook [redacted].

[redacted]

Q Can I stop for a second? Let me give you two possibilities, and see if either one of them ring a bell. In October of 1985, the problem came up with the press people on board the NHAO flight [redacted] caused a major problem which ramifications lasted for several months.

In April, March, April of 1986, the Congress voted originally voted down the $100 million, in legislation, and there were some trips, but I believe Secretary Abrams went down [redacted] and then in the midst of that trip, the Sandinistas crossed the border, [illegible]

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Could it have happened on either one of those?

A It could have been the first. I am by no means certain, but it could have been the first because my recollection as of now is that it was well before the second one you mentioned, because I also went on that trip which was a collection of people including Armitage, Elliott, I think North was there. I am not absolutely sure-- [redacted] The earlier trip with North it could have been your first reason [redacted]

(Recess.)

BY MR. SMILJANICH:

Q Back on the record.

We were talking about the one trip you took down with Oliver North. During the course of that trip, this is probably the longest time you ever spent just with Oliver North. You probably had more chit-chat with him in that one time than probably any other time.

In the course of that trip, did you learn anything about what he was up to, that added to or subtracted from what you thought before the trip.

In other words, did he talk any about any of his activities?

A We talked. We flew commercial both ways so we had a total of five or six hours seated next to each other. My memories of those conversations revolved around why he was in the Marine Corps, his family situation, his relationship with Bud McFarlane.

Q How did he describe that?

A He told me about the NSC being probably the end of his Marine Corps career because the Marine Corps didn't like him to go off and do jobs like such as what he had at the NSC. The proof of this had been Bud McFarlane as national security adviser being passed over by the Marine Corps and leaving as a lieutenant colonel.

He thought the same fate was awaiting him, that Bud McFarlane was trying to help, giving him good efficiency reports or whatever the name is in the Marine Corps, but that Bud McFarlane had left the Marine Corps somewhat embittered and was always giving him advice as a man that Bud McFarlane knew was a good Marine and wanted to remain a Marine.

He talked a bit about his experiences in Vietnam and whence came his feelings about the contras and helping people who were fighting Communism. That sort of thing.

He told me a great deal about his family. I was just a few months into the job and very concerned about his relationships with my wife and my kids and buying houses and being in debt, and he was telling me about how he had worked some of these things out.

Q Some personal matters.

A Yes, a lot of that. I don't recall any conversations about his extracurricular activities with the contras. He told me things about-- I think I remember him telling me at that time the first time I recall hearing the name Rob Owen, and what a fine young man this guy was, a Stanford degree and all this kind of stuff and someone who had worked with him and was now maybe someone who should work with know-how.

Q This does help place the timing of the conversation.

A Yes, it was back about probably --

Q Early October.

A November, something like that, yes.

He did tell me about someone who was a senior enlisted man in the Marine Corps, I believe, someone he had known for years, who had terminal cancer, but was such a patriotic American that he had just volunteered to go down [redacted]

[redacted] to sort of help get

the supplies through to the contras. At that point I assume he was talking about helping the humanitarian supplies get through. And it was that sort of conversation. Nothing more specific.

Q Did he put a name for that person?

A He did, but I don't recall it.

Q Does the name William Haskel ring a bell?

A No.

Q Robert ~~Omstead~~ Olmstead?

A No.

I am not sure I would know it if I heard it.

Q One last question. Let me go back one more time to the August meeting in Don Gregg's office. Off the record.

MR. SMILJANICH: On the record.

BY MR. SMILJANICH:

Q I had asked you the name Ed Wilson or Edwin Wilson Terpil Group had come up, and you said you had no recollection of that.

A That is correct.

Q Let me ask you this: knowing that those names did have some association in your mind with some sort of very dramatic negative aura about them, would it be fair to say that if those names had come up in association with this group of people supplying or assisting in the contra logistics, that is something you probably would remember if that were said, and so it is your best recollection at the time that that wasn't said because you would probably have remembered it. Is that fair?

A That is fair. I have read the popular press stories of Ed Wilson and the ~~Lybia~~ Libya connection, and all that dramatic stuff. I am almost sure that if his name had come up, because at this point in time he was either in jail or about to go to jail for some of the things he had done, if I had heard anyone's name who I knew was a convicted felon having association with the program that I was dealing with, I would hope to God it would have stuck in my mind.

I have no recollection of his name coming up. The other fellow, Terpil, I don't know about.

Q I think that is all the questions I have.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. TRAYLOR:

Q I have one question. Do you recall, Mr. Walker, when we last met we showed you two documents. They were both dated October 15, 1986, and essentially were from Richard Miller, one transferring $10,000 to American Security Trust Bank in the State Department in your name, and the other canceling that transfer, and we asked you to explain or if you knew anything about that, could you could you relate your knowledge of those two cables?

A Right. First a preface: I didn't recall until you just mentioned that Richard Miller's name was associated with those two cables.

I didn't know Richard Miller's name until recent events have put that to my memory bank. But, what I know about those two cables although I never saw the two cables until you showed them to me a few weeks ago, is the following: after the Hasenfus plane went down, we not only had an American citizen captive in Managua, we also had the body of two American citizens.

Q Those names were?

A Throw them at me.

Q Sawyer and Cooper.

A Yes.

The Sandinistas held a press conference, held up documents to the cameras, that indicated that these were two American citizens. A fellow named Bill Sco~~w~~field, who works for Rick Melton, he was sort of a half-time B~~a~~elize desk official, and half-time Nicaraguan desk official, was contacted by the relatives of these two Americans and the question arose about the repatriation of the remains of the two Americans.

In the meantime, in Managua, we had exchanged several notes with the Nicaraguan government -- who started the series I can't remember. They came in and protested an American crew plane flying over Nicaragua and helping the contras. We came back and were asking for consular access to Hasenfaus, because that was a big issue the first days.

Would he have a lawyer? Would they put him on trial? Could we send down an American lawyer, this sort of question, and we were demanding consular access. We were also mentioning in these notes that we understood they were claiming they had the remains of two Americans, and essentially what were we going to do about them.

One day not too long after the crash, they notified our embassy in Managua that they would be delivering the bodies to the embassy and they proceeded to do so. They did so by bringing them down in the back of a truck. They had already pre-positioned a crowd out in the front of the American embassy that was sort of protesting the Hasenfaus flight, and U.S. government involvement therein, and this truck that came up with the bodies could not-- Sandinistas later claimed could not get close to the embassy, so they just took the two coffins off the back of the flat bed and sort of carried them through the mob and just put them at the door of the embassy.

The embassy was then confronted with the question of what can we do with these bodies. In the meantime, as

I said before the relatives were asking for the return of their relatives.

As I understand, funeral homes in Nevada and wherever the other fellow was from were calling the Department saying they had been retained by the families to take care of the body once they got to the States. When are they coming, this sort of thing.

We had the problem of having no idea of who was responsible for the Hasenfaus flight. Normally in the cases of Americans who die overseas, the first thing the consular official has to do is find out who the relatives are back home, or who is going to pay the expenses of shipping the bodies back, this sort of thing, and there is a normal exchange of cables that takes place.

In this case, we had the pressure off the bodies actually being in the embassy, and at some point in these very, very hectic days, the first days after the shoot-down someone, I believe it was Elliott Abrams, contacted Ollie North.

Q Why did he contact Oliver North? I am curious as to why North was contacted.

A I assume it was the same sort of query we were trying to make to General Singlaub, which I mentioned earlier. We were trying to contact-- we thought at first he might be in town. We found out he was in the Philippines.

We were trying to contact him without success to find out if he had anything to do with it. If we had reached him and he said, yes, we would have said, "Are you willing to foot the bill for getting the bodies back?" That channel went nowhere.

As to why Elliott thought he should call Ollie, I don't know. I presume it had something to do with maybe Ollie might know. Whatever, that took place. I got home late that evening, and while eating dinner and getting to know my children again, the phone rang and I took the call, and a female in a very low and mysterious voice said something to the effect, "Mr. Walker?" "Yes?" "Hi. I represent the employers of Sawyer and Cooper. We understand there are expenses involved in bringing their remains back to the states. We will pay for them. We will send $10,000 to the State Department tomorrow in your name."

And I said -- she must have asked me what is your room number or something -- and I said, "Wait a minute. Don't send me $10,000. That is not the way it happens. This is suppose to go through Consular Affairs." And she said, "How should I do it?" I said, "I understand Consular Affairs has an account in the American Security Trust Company, the bank in the State Department. I don't know the number. I don't know anything other than I have been told that they have an account there for this sort of thing." And she said, "Okay, I will send the check, but with your name on the envelope or something, and you can tell them tomorrow that this is coming in for the Hasenfaus thing."

I said, "Well, you know, usually we know exactly what the cost is. The Consulate tells us what the exact fee is. That is what we have. Ten thousand might be enough. It might not be enough. It might be too much." She said, "I have been told to tell you if there is any extra money that you can use that for the Hasenfaus family." And I said, I asked her a couple of questions. She said she didn't know any further answers, but the money would come the next day.

To me it seemed like a way to get the money to pay for the repatriation of the remains and funeral or whatever. The next day when I got to work, I got together I believe with Rick Melton, and with Bill Scofield and told them about this mysterious call. One or the other checked with the Bureau Consular Affairs to see if this would work, and this answer came back and said, no, that is irregular and a check coming in under these circumstances that is not the way we do it.

I guess we told Elliott this and he said something to the effect, well we had better go back to Ollie because apparently my call to Ollie precipitated this mysterious call

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to you. Maybe we can go back to Ollie and tell him this will not work. That was done, I don't remember quite how, either Elliott or I or maybe Bill Scofield called up Ollie's office and sort of said, you know, whoever it is that is sending the $10,000 check in care of William Walker, that is not going to work. It is too far out of the Consular Affairs procedures for it to work, and that was the last we heard of it.

Q Did the female that called you state her name?

A I don't believe so.

Q Did you ask her?

A I believe she gave me some title of an organization which had something to do with Friends of the Freedom Fighters or something like that. It was a title that I forgot by the end of the phone call that it was.

Q It was a--

A Not a name I had ever heard before or ever heard since.

Q Did she identify who the employers of Sawyer and Cooper were?

A No, other than this sort of name which sounded phony, and I suspect was phony.

Q Did you ever have any subsequent conversations with North about this mysterious call that you received?

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A No, not that I recall.

Q I don't have any further questions.

A For the record, the sort of question of paying the expenses of the repatriation and delivering the bodies to funeral homes in the two locations where the bodies went, was unresolved for months and months afterwards. The funeral parlor in Nevada called several times, I guess, and talked to Bill Scofield about, "Hey, we did this. You told us that payment was coming, and it hasn't happened, or part of it hasn't happened."

The Consular Affairs Bureau was upset because we had told the embassy you have got to ship those remains out of there and of course Eastern Airlines or whatever airline they used presented a bill to the embassy. We questioned how do we pay for them, and under normal circumstances even, abnormal circumstances, the Bureau of Consular Affairs does not have its own fund to do this sort of thing. It is usually paid for by the family, but these were such unusual circumstances, i.e. the bodies actually being in the embassy, that the way it came out was the way it came out.

Q One final question. Did you ever hear any rumors throughout this timeframe from the time that you came to ARA, all the time that you knew North, about North's activities?

A I guess it depends on what you mean North's activities?

Q His activities in Central America and in the Middle East. There were a lot of rumors throughout the State Department in different areas about his activities that he was involved in helping the resistance fighters in Nicaragua and that he was doing something via the hostages and arms to Iran.

A Okay, arms to Iran zero, no knowledge whatsoever that he had, that there was a arms to Iran deal before the revelation of last October and November.

The hostages, I heard about various things, maybe including things that Ollie himself might have said; that he was involved in counterterrorism sort of things in the Middle East, in Europe. By what method, I know not. I understood that he was involved in the Achille Lauro operation. Can I give you a vignette? The trip took with Oliver North [redacted] the IG/RIG said it would be a good idea to go down [redacted] I was chosen to go from the State Department. Oliver North was chosen to go from the NSC.

I went to the National Airport at 8 o'clock in the morning to catch the Eastern flight to Miami. There was some problem with my GTR. In the meantime I am telling the agent, there are two of us on the plane. "We want seats together. He is not here yet. His name is Colonel North. Please save two seats."

He goes into his computer and says, "No, there is no Colonel North on this flight." And I said, "There must be." First, I am screwed up in my GTR. "You are not sure. Can you tell me? You are telling me he is not on the thing?"

He said, "Don't worry. It is a half-full flight, but there is no Colonel North". Ollie appears out of the airport with his bag on his shoulders, looking somewhat unkempt and he had just gotten off a flight from Europe, had been flying all night. And he is somewhat discombobulated to find out he is not in the computer, and he says, "I bet my secretary made it in my name. Try Goode or something."

Q Bill ~~Good~~ Goode?

A Yes, sir, and I think he even threw out a third name. The guy clicks on.

Q Green?

A So Ollie had to change his passport and hand up another passport and I remember saying this guy plays in the big leagues. He comes in from Europe and there was something like Achille Lauro going on at that time, and I assumed he was coming from that and had flown all night.

The other thing I had seen him the day before when we got assignments that meant between the time when I saw him and the next morning, he had flown to Europe, flown back and the only thing that got even discombobulated was that Fawn had made the reservation in the wrong name.

Anyway that is my vignette. Yes, I knew he was involved in other things, and in other parts of the world and for some reason I had picked up it had to do with -- I also remember at one point trying to clarify with Ray Burkhart, who Oliver North was in the context of the NSC's Latin American operations, and Ray Burkhart is a Foreign Service ~~over~~ officer on loan to the NSC. He had the title of Special Assistant or something to the President or to the National Security Adviser for Latin America, and I remember asking him does Ollie work for you. He is always going to Central America, seems to know a lot of Central America.

And Ray sort of implied, "Yes, he does, but he is a little hard to hold down, and he does other things, and therefore it is sort of overlapping unclear relationship with me and him, but I am really his boss." Later I believe it was on the trip that I made with him so it must have been the early thing in October, November. I remember trying this out on Ollie -- do you work for Ray Burkhart? And that greatly upset him. Greatly upset him. And he said, "Hell, no. I have got a whole platter full of things, and even when I am involved in Central America, it has got to do with my other matter. It really isn't sort of under Ray Burkhart."

There was a certain distance between those two guys first, evident by his reaction to being asked if he worked for Ray Burkhart. So, surely I knew he did other things.

Q Thank you, Mr. Walker.

MR. SMILJANICH: That will conclude the deposition. Thank you.

(Whereupon, at 6:30 p.m., the deposition was concluded.)

[redacted]

[redacted]

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Stenographic Transcript of

HEARINGS

Before the

ORIGINAL

SENATE SELECT COMMITTEE

UNITED STATES SENATE

DEPOSITION OF SAMUEL J. WATSON III

PAGES 1 thru 32

Washington, D.C.

June 16, 1987

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DEPOSITION OF SAMUEL J. WATSON III

- - -

TUESDAY, JUNE 16, 1987

- - -

Ninth Floor
Hart Senate Office Building
Washington, D.C.

Deposition of Samuel J. Watson III, a witness herein, called for examination by counsel for the Senate Select Committee and, pursuant to notice, the witness being duly sworn by SUSAN A. HARRIS, a Notary Public in and for the District of Columbia, at the offices of the Select Committee at 10:32 a.m. and the proceedings being taken down by Stenomask by SUSAN A. HARRIS and transcribed under her direction.

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APPEARANCES:

On behalf of the Senate Select Committee:

MARK K. BELNICK, Esq.

VICTORIA NOURSE, Esq.

On behalf of the House Select Committee:

CLARK B. HALL, Esq.

RICHARD J. LEON, Esq.

On behalf of the Witness:

JOHN P. SCHMITZ, Esq.

Deputy Counsel to the Vice President

ALAN CHARLES RAUL, Esq.

Associate Counsel to the President

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PROCEEDINGS

Whereupon,

SAMUEL J. WATSON III,

a witness herein, was called for examination and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. BELNICK:

Q State your name for the record.

A My name is Samuel J. Watson.

Q Your position in the government?

A My position is deputy assistant to the Vice President for national security affairs.

Q A member of the United States military as well?

A Yes.

Q Rank?

A Colonel, United States Army, active duty.

Q Colonel Watson, how long have you been the Vice President's deputy national security adviser?

A Approximately one and a half years, beginning, I believe it was, November 7th, 1985.

Q And from that time to this you have reported to Donald Gregg?

A I have.

Q Your office is in the same suite as his at the OEOB?

A Yes, they are.

Q What are your duties as deputy assistant to the Vice President for national security affairs?

A My duties include the normal things that a deputy does: backing Don Gregg up, filling in for him when he is not available in meetings; and then I have specific responsibilities for managing the office; some personnel and logistical things. Substantive issues: the Soviet Union, arms control, Europe, Western Hemisphere, Latin America, Central America, international economics, international organizations, and some other things which are in the bottom of my file cabinet.

Q It sounds like a full plate.

A Yes.

Q So matters relating to Nicaragua and the contras would fall within your bailiwick?

A Clearly.

Q What responsibilities specifically in outline form, if that is not a contradiction in terms, have you shouldered with respect to contras and Nicaragua in the last one and a half years?

A Well, I've taken it and assumed that it was my duty, that anything to do with Nicaragua or Central America that came through the office of the Vice President was of interest to us, because the Vice President is a principal of the NSC, the National Security Council. Dealing with the contras would be among my responsibilities.

Q The same, of course, with respect to the war in El Salvador?

A The same there.

Q Let's talk a little bit about office routine. How frequently do you see the Vice President on a regular basis?

A Oh, I would say once or twice a week, when a visitor to the Vice President is coming through.

Q Do you sit in at those meetings?

A Prepare the Vice President, prepare the briefing ~~memoes~~ memos, and sit in on those, take notes.

Q Take notes of those meetings?

A If I think it is appropriate to take notes. Frequently I don't.

Q If you take notes, where do you keep them?

A I would keep them in either a notebook which I have occasionally kept or just on a piece of paper to stick in my file, or destroy them if nothing really significant came out of the meeting.

Q Do you typically do memoranda of meetings that you attend with the Vice President?

A No, I typically do not do a memo for the record.

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And unless there is some action requirement coming out of the meeting -- then I might do one, or if it is something that I think embassies or the Departments and agencies should know about, then I will do a memo for the record.

But most often, if it is a meeting with a foreign visitor the State Department will have someone there who will be the notetaker.

Q. Aside from meetings with foreign visitors, do you have a regular time during the week that you brief the Vice President?

A. I personally do not. If I were to have a matter to discuss with the Vice President, I would ask for an appointment with him or I would go with Don Gregg to the morning meeting that he has with the Vice President, usually at 8:15 in the morning, where the CIA comes in and briefs the Vice President.

Q. Ordinarily you are not at that morning meeting?

A. Ordinarily not.

Q. You will be there if you are requested to be there or if you have made a request to be there?

A. That's correct, or if Don Gregg is not in town and I fill in for him.

Q. How long are those morning meetings ordinarily?

A. 15 minutes.

Q. When did you first meet Felix Rodriguez?

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A. In late December 1985.

Q. What was the circumstance?

A. The Vice President's office each year has a Christmas party. Felix was a guest at the Christmas party. I met him there.

Q. Who introduced him to you?

A. I precisely do not know. I suspect Don Gregg did, but I cannot affirm that.

Q. Prior to that time, had Mr. Gregg told you anything about Mr. Rodriguez?

A. I don't recall whether he did or not.

Q. Do you recall if prior to that time Mr. Gregg had told you that Mr. Rodriguez was doing any work in Central America?

A. Well, I don't remember whether Don and I talked about Felix or not. So it's hard to answer that question.

Q. Let me mark this document as Watson Exhibit 1.

(The document referred to was marked Watson Exhibit No. 1 for identification.)

Q. For the record, Watson 1 is a two-page document bearing our numbers N-36451 and 36452.

Do you recognize the document?

A. I recognize the document as a summary that I made in December 1986, trying to summarize from memory and from

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some notes I had of different contacts I had with Felix Rodriguez.

Q For what purpose did you prepare Watson Exhibit 1, Colonel?

A Well, as this event unfolded and the Attorney General and others were beginning to conduct investigations and Felix's name became fairly public, I felt it would be a good idea if I tried to remember for my own purposes my different contacts with him and why I had contacted him. For no other purpose.

Q And did you submit these notes to the FBI, Watson Exhibit 1?

A Yes, I did.

Q The first contact listed is December 20, 1985. Is that the occasion that you were just testifying about when you first met Felix Rodriguez?

A Yes, I believe that was the day of the Christmas party.

Q When do you recall learning that Felix Rodriguez had a mission in Central America?

A Well, we have since learned, since August 8th, that he had a different mission than the one I was introduced to him as the mission he had.

Q Well, let's start with the mission that you were first told about. Who told you about it?

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A. It probably came up in a conversation that Don Gregg and I had when, being new to the Vice President's office and not having worked Latin American affairs before, we discussed a familiarization and orientation trip for me to take to Central America.

And in the course of discussing that trip and the itinerary, Felix's name came up as someone I should probably contact or be in touch with, who was knowledgeable of counterinsurgency in the area.

Q. That was a trip you took in January of 1986?

A. That is true.

Q. What did Mr. Gregg tell you about Felix's role in Central America at that time?

A. That Felix Rodriquez was in El Salvador working with the Salvadoran military to try to counter the Marxist insurgency that was plaguing that Government, and he was working with the Salvadoran air force in helicopter operations which were called [redacted] operations, very similar to helicopter operations many of us, Don and I, were familiar with in Vietnam.

Q. Had you served in Vietnam with Mr. Gregg?

A. No, I never knew Mr. Gregg until I met him in the interview process.

Q. Had you been in the military in Vietnam?

A. I spent two years in Vietnam as an infantry

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officer.

Q. Did Mr. Gregg tell you about his relationship with Felix Rodriguez in Vietnam?

A. Don explained that he and Felix worked together, that Felix was one of his officers, that Felix conducted highly successful helicopter operations against the Vietnamese communist insurgents; and that he had a very good and trusting relationship, that he held Felix Rodriguez in high regard, found him to be a man of integrity.

Q. Did Mr. Gregg tell you how it was that Felix Rodriguez happened to go down to El Salvador?

A. I don't recall whether we discussed that.

Q. Well, did you come to learn shortly after your trip or by the summer of 1986 that Mr. Gregg had in effect sponsored Felix Rodriguez's mission in El Salvador?

A. Yes. At some point, whether it was on the trip in January '86 or whether it was during the spring, at some point Don -- I asked Don about Felix, more about him, after coming back, and he explained that Felix had been looking for work and had gone to El Salvador at Don's suggestion.

Q. Did you know the name under which Felix was operating in El Salvador?

A. Yes, I did. Max Gomez.

Q. And Don told you that?

A. Yes, he did. Well, either Don or Felix. I do not recall.

Q. Let us run through looking at Watson 1. These trips, January 19 to 21, or these contacts between you and Rodriquez. January 19 to 21, 1986, you were in El Salvador?

A. That's correct.

Q. You saw Felix Rodriquez at that time?

A. That's correct.

Q. He acquainted you with his work at the air base there?

A. He did.

Q. Did he tell you that he was doing anything on behalf of the contras?

A. No, he did not.

Q. At any time between January and the summer of 1986, did you come to learn, either from Felix or from any other source, that Rodriquez was performing any role whatsoever on behalf of or in support of the Nicaraguan resistance?

A. No.

Q. Your discussions with Felix, then, in January 1986 pertained solely to his work in El Salvador?

A. That's correct.

Q. The next entry on Watson Exhibit 1 is April 1986, phone calls from Felix Rodriguez, subject helicopters.

APPEARANCES:

On behalf of the Senate Select Committee:

TERRY SMILJANICH, Esq.
Associate Counsel
901 Hart Senate Office Building
Washington, D.C. 20510

On behalf of the House Select Committee:

TIMOTHY E. TRAYLOR [redacted]

PROCEEDINGS

(Witness sworn.)

Whereupon,

JAMES L. TULL

was called as a witness by counsel for the Senate Select Committee and, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. SMILJANICH:

Q Give us your full name for the record, please?

A James Louis Tull.

Q Mr. Tull, this is a deposition being taken by both the Senate Select Committee and House Select Committee on the Iran-contra matters. I'm going to be asking you several questions. If there's anything I ask you that you don't understand, please let me know and I'll be happy to rephrase my question.

A Fine.

Q You are a career foreign service officer; is that correct?

A Yes.

Q How many years of service do you have?

A 29 years as of April of this year. [illegible] in March, March of 195[illegible]

Q What is your current position?

A I'm assigned temporarily to the Bureau of Personnel in Washington since my departure from San Jose on the 11th of March.

Q Are you waiting on a particular assignment here in Washington?

A Yes, I am. I'm waiting on one of the positions that I've asked for in Washington.

Q In your foreign service career, have you primarily specialized in any particular geographical region?

A I've spent more time in the Latin American bureau than in any other. I have only had two out of Latin America assignments overseas, one to London in the early sixties and to Cyprus about five years ago -- four years ago.

Q Do you speak Spanish?

A Yes.

Q What was your tenure in Costa Rica? What were the dates of your tenure?

A I arrived on direct transfer from Bogota the 5th of July, 1985. And I left -- I was continually in service there until my departure on the 11th of March of this year.

Q 1987?

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A 1987.

Q Prior to you assignment in Costa Rica, where had you been assigned?

A I had been asigned the previous year in Bogota, Columbia, at th embassy, and prior to that I had been assigned for three years at the American embassy in Nicosia, Cyprus; prior o that, three years at the American embassy in Sano Domingo, Dominican Republic -- all with the same positon, deputy chief of mission.

Q As deputy chef of mission, are you basically the second ranking offier at the embassy?

A Yes, sir.

Q And when the Ambassador is gone, you become the charge?

A Yes, sir. I was charge after Ambassador Tambs left Bogota for about s or seven months before my departure, and again wh he left Costa Rica in January I took over as charge unt my own departure on the 11th.

Q When did you first meet Ambassador Tambs?

A I met Ambassdor Tambs for the first time when I was assigned to him from Cyprus in, it would have been, in August of 1984, when I left Cyp[illegible], and I was assigned as his deputy [illegible] in Bogot[illegible].

Q [illegible] How did you come to [illegible] deputy chief of mission in Cos Rica? [illegible]

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A He asked for me. That's the reason I served only one year in Bogota, because it's any Ambassador's prerogative to select his number two. And since we had worked together, and well, I thought, in Bogota, he upon his own appointment to Costa Rica asked that I be sent there as his number two.

Q What kind of working relationship did you have with Ambassador Tambs?

A I had a very fine working relationship, probably one of the closest working relationships I have had with any American Ambassador.

Q Ambassador Tambs was a political appointee?

A Correct.

Q What did you think of his capabilities as an Ambassador during the time you served under him?

A Well, I served under him at two posts. I thought he was unusually qualified to be a chief of mission, because he had spent literally his entire adult life in one fashion or another in Latin America, as a student; later, he had his own, not oil company, but it was a company that was contracted, I think, by Creole Oil in Venezuela doing construction for them.

I think his degree was in engineering. But his time was spent in Latin America. And then he went back, took his university degrees, and is now a professor of Latin American history at Arizona State University.

So he had a very, very long, practical and intellectual association with the hemisphere.

Q When you arrived in Costa Rica in July of 1985, [redacted] whom we'll refer to as his pseudonym [redacted] of Tomas Castillo, is that correct?

A Correct.

Q Had you known Mr. Castillo from [redacted] previous [redacted]

A Yes. [redacted]

Q When you arrived in Costa Rica and after Ambassador Tambs arrived to take his post, did the Ambassador call a meeting of certain people to discuss what his mission or missions were in Costa Rica?

A Yes, he did. He arrived there, as I recall, toward the end of July. I think I had been in charge of the post for about two weeks when he arrived.

And immediately upon his arrival, I think it was the following day, he asked Castillo and I to his home, and I think that's the meeting you're referring to.

Q Who all was present for that meeting?

A The Ambassador, Castillo, and myself.

Q At some time in this meeting, did Colonel Lent -- did Colonel Lent attend the meeting, do you recall?

A It's possible. John lived nearby. It's possible. I don't recall him being there, but it's certainly possible.

Q What did Ambassador Tambs tell you and Mr. Castillo about his mission in Costa Rica?

A Well, he said that one of the important and priority goals and duties that he had been assigned there was such assistance as he could give to the opening of the southern front, a military front in Nicaragua.

Q What did you understand he meant by a southern front in Nicaragua?

A Well, at that time there were some resistance fighters in Nicaragua, in southern Nicaragua, and that's basically the only thing I know about, the only thing I was associated with.

There were some under Negro Chamorro. There were some under Eden Pastora, ARDE. They were located above the Costa Rica border, [redacted]

And as I understood it, what Ambassador Tambs was telling us was that one of his priority objectives he had been assigned was to do what he could to strengthen the effectiveness of those forces then in place.

Q Where did Ambassador Tambs say he had gotten those instructions from?

A He used the White House and the NSC, as I recall, trying to think back now and be a little more precise. Those terms were used sort of interchangeably. But my understanding was the NSC.

Q Did he name any particular person at the NSC?

A No, sir.

Q Was there a discussion held at that time as to how this mission could be accomplished?

A No, there wasn't. There wasn't.

Q Did Mr. Castillo discuss the various personalities in the south as military leaders and his impressions of them?

A I don't recall on that occasion or not, but certainly, you know, early on -- of course, I had arrived there before the Ambassador and I had received from him the standard agency briefing that any deputy chief of mission gets when he arrives at a post.

And so I knew an early knowledge of Eden Pastora and Chamorro. Castillo was very frank in his evaluation, particularly of Pastora. So I don't recall whether we discussed it that first day, but it certainly was one of the early things, yes.

Q What did Mr. Castillo say about Mr. Pastora?

A He had a very, very low opinion of Eden, both as a leader and as an experienced military officer. I gathered that Castillo had found him to be erratic, highly emotional, untruthful, not to be trusted. [redacted]

Q Did Mr. Castillo say that he hoped to wean the other troop leaders away from Pastora?

A Not at that point. That developed later on. I mean, it might have been part of the work at that time. I just don't tie it to that early period.

But certainly, yes, as the months, early months went on, it was clear that what he had hoped to do would be to take those military commandantes [redacted] and split them away from Pastora and get them fighting [redacted]

[redacted]

They weren't anything but an enormous problem for the government of Costa Rica, because [redacted] they were acting like rural bandits. They were stealing cows and chickens and harassing the farmers.

And at that point, with the Sandinistas right on the border [redacted] the farmers thought they were having a hard enough time anyway, because there were incursions by the Sandinistas, probing patrols. They later on did some mining on the Costa Rican side.

And in the middle were these absolutely ineffectual, worthless groups that Eden had, doing nothing, but increasingly becoming part of the problem instead of part of the solution.

And I'm sure what was in Castillo's mind was, what was in all of our minds, is the war is inside Nicaragua [redacted] and if those guys want to do something, they ought to go back in there and do it and not harass the poor farmers up in the northern jungles.

Q Did Castillo early on describe to you or tell you about some of his past experiences with the CIA, with the Agency, and how he intended to conduct himself in the future as a result of that experience?

A No. I knew -- I can't tell you where I knew it, but I knew that he had had difficulties early on with association with the famous comic book for guerilla warfare or something like that. So I knew that he had had a difficult time.

But I can't tell you -- he didn't tell me that, but I knew it.

Q Didn't he once tell you, though, that he had been burned before and that he was going to get his instructions in writing from now on, so he'd have a paper trail?

A That's true. But it wasn't in that context. It would be more in the context -- and this went on several times. I can remember him saying: I was called by Washi[redacted]In the record: give me a written instruction; I don't want any oral instructions.

And knowing, as I knew, his previous problems, it appeared to me that he was being more than usually careful not to be, in effect, on the end of the limb again.

Q What did you understand the policymaking organ to be that was in charge [illegible] giving [illegible] to the mission in Costa Rica?

A Well, it was the RIG, the Restricted Inter-Agency Group. In thinking about it -- and I can't tell you when the RIG was formed. I just don't know. I don't recall in my month or two of service in Costa Rica references to the RIG. I just don't recall that at all.

But that quickly became the mechanism that we all referred to.

Q And who did you understand to be the members of the RIG?

A Well, the ones that I know of were Colonel North in the National Security Council, Elliott Abrams in the State Department, and [redacted] Intelligence [redacted]. I'm sure [redacted] people connected with it than that, but those were the three principals so far as we were concerned.

Q Okay. How did the RIG communicate its various instructions to the missi[redacted]

A They came through Castillo [redacted]

Q In other words, the communications were tightly held [redacted]

A That's correct. Almost exclusively, I'd say that that was the channel used. And so far as being very closely held, as I mentioned to you before, one of the things that Tambs told me very early on is that, in view of the very sensitive nature of this, he intended to keep the foreign service as far from it as he possibly could. And without going into, you know, instructions or guidelines, we've never talked about that, but my clear understanding of that was that he would keep me as well informed as he thought I had to be, in other words need to know, and that would be that.

And that was the way we operated on this, and I did not engage with him on the kinds of questions that I'd normally ask an Ambassador about other policy goals or implementation. I waited for him to tell me.

And you know, he was within his own confines, I think, open with me.

Q Okay. Now, the RIG was officially, at least on paper, a rather large organization, composed of representatives from the Joint Chiefs of Staff, Department of Defense, other groups. But I just want to make sure I understand this.

Your perception of the RIG seemed to be primarily Elliott Abrams, [redacted] and Oliver North, is that correct?

A That's correct. And I'm not aware that DOD was involved. Perhaps they were, but not in my perception at all.

Now, when I say those three, I know that they had staffs. I know there are other people involved. And as I mentioned earlier, one of the problems that we always had which was never resolved was who knew what? And so we were always very careful in discussing anything with Washington visitors, because it was never clear to me who was in the loop and who wasn't.

Q In other words, for example, from the State Department you would know that Elliott Abrams was knowledgeable, but below him and who on his staff was brought into it you didn't know?

A No, I did not.

Q Now, back to your initial time in Costa Rica, did there come a point when the possibility of creating an airstrip in [redacted] Costa Rica became a matter that related to the opening up of the southern front?

A Yes.

Q Tell me about that?

A As I best recall it, it was in the fall after we arrived there of '85. I would say, oh, in sort of the October time frame, that Tambs mentioned to me and, as I recall, Castillo -- the three of us were in his office and he said to me that there was a private group of Americans that wanted to open, reopen an old air field in [redacted] Costa Rica, as an emergency airfield for air supply flights; and that he had been tasked [redacted] Costa Rica as to whether they would be willing to entertain a proposal of this kind from this group.

That's the first mention of it, and it was, I think, as I say, in October '85, something like that. It might have been September, but I just don't recall.

Q Now, did you have the impression from what Ambassador Tambs told you that this air strip was his idea?

A No, absolutely not, absolutely not. This is one of the things that struck me in some of the things that have been said about this. Now, this is not to say that he didn't favor it. He did. He thought that if [redacted] approved [redacted] it could be kept quiet -- because it obviously was going to be a tremendously sensitive political issue -- that it would be a good idea.

And the reason for that is that the distances that airplanes had to fly, they needed an emergency place. My understanding was that that was to only be used for emergencies and that it was to be used for flights leaving Nicaragua empty.

The reason for that is the extreme sensitivity of Costa Ricans to anything military entering their country.

Q So the site was to be used for refueling purposes and not for the offloading of any cargo itself?

A No, no, there was to be no storage and no warehouse, nothing of that. It was to be used as an emergency refueling stop.

Q Well, did Ambassador Tambs or anyone else ever say where these instructions or ideas regarding the airstrip had come from?

A No, sir. And I never asked him. I assumed they came from Washington. It wasn't the type of thing -- it's not the type of thing that Ambassador Tambs would have dreamed up and put into motion. He is not that kind of an Ambassador.

Q Okay. Now, the Ambassador then did have [redacted] to smooth the way for this airstrip, is that right?

A [redacted] he had to find out if they were willing to entertain this type of idea. [redacted]

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[redacted]

I can't tell you what the time was, but it was very soon afterwards.

Q Did there come a time when the airstrip was discussed with Secretary Abrams, [redacted] and Oliver North at some type of a meeting or get-together?

A Yes. And I have tried to -- see, Elliott took over as Assistant Secretary, I think, in July of '85, and his first visit as I recall it was some time around -- Christmas of that year, maybe a little after, maybe a little earlier.

But he did come down, because he came down late in the afternoon [redacted]

I did not attend that meeting, but my perception is the airfield might have been discussed at that meeting with [redacted] who had already approved it.

The next day, I recall as Elliott and others were leaving we were standing in the Ambassador's office, a bunch of us, and they were literally ready to leave for the airport right then, and the Ambassador cleared the room with the exception of Elliott and Castillo, [redacted] I believe, himself, and me. And we discussed for perhaps

UNCLASSIFIED

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five minutes or less, he discussed where the airfield stood, what was happening.

[redacted]

It was a very brief discussion. We were literally standing up inside of his closed door. And at that point, why, the parties left. That was the first discussion that I recall of it at which Elliott was present.

I had assumed that he was in the loop the whole time, because throughout this we were acting pursuant to instructions from Washington.

Q Well, as far as the date of this conversation, of course, it would have been before the election of President Arias [illegible]

A [illegible]

Q It was during a time in which the airstrip was not a finished product?

A No. I want to emphasize that this was not, as I've read, this is not a new airstrip at all. I think that that strip had been there in the late forties and fifties, and then it just had been allowed to decline, disused.

And basically the construction was, as I understood it, was basically grading, because there was a small river that went along, right along inside, and there had been a lot of degradation of the old gravel strip. So it wasn't this big sort of grandiose project that you think about when you're constructing an airfield. The basic part of the strip was still there.

Q And when this brief discussion was held before Secretary Abrams left, it was certainly treated as a sensitive discussion, because other people in the room were asked to leave?

A Absolutely.

Q Now, you mentioned the possibility of [redacted] [redacted] being there. I'd like you to stop and think about that. If you can tell me you remember him being there, he might have been there, or you just don't know; think about that for a minute.

(Pause.)

Q As I recall it, it was Elliott's first visit in the area, and he had -- it wasn't just a visit to Costa Rica. I mean, he had visited, I think, other places. I am quite certain [redacted] was with him, quite certain.

Q Now, there was a chief of missions conference in Panama in, I believe, early September of 1985. Now, as the deputy chief of mission, you wouldn't go to that, is that right?

A No.

Q Did Ambassador Tambs ever talk to you about discussing with anyone at the chiefs of mission conference this airstrip or the opening of the southern front?

A No, no, he wouldn't do so.

Q What do you know about the airstrip after that, how it was built, who built it, any people that participated in it?

A Well, I knew that the strip -- I never saw the strip [redacted]

The discussions that then occurred through the winter months of '85 and into '86 were, you know, fairly brief, the type of thing, well, you know, what's happening out there? Well, we're having grading problems. When is it going to become ready for use? We're not sure yet.

[redacted] As to who the private Americans were and what arrangements they made with the owners, I

UNCLASSIFIED

frankly don't know.

As I mentioned to you the other day, the only name I ever heard was a nickname, One-Eyed Jack. I don't know who One-Eyed Jack is to this day. I did know that there was an American businessman there who was one of the owners of that property, Joe Hamilton, who is a resident there in Costa Rica. And it was from his group, whatever group it was, that the property was leased or purchased or whatever arrangements were made.

But what the modalities were and, you know, the later press accounts of Udall Corporation in Panama, I wasn't privy to that.

Q Did you ever hear any mention of a Panamanian corporation that was involved with the strip?

A I did not.

Q I might as well finish up with the airstrip. What happened when President Arias was elected?

A Well, the airstrip -- elections were on the 8th of -- 15th of February of '86. And of course, Arias won and I recall the Ambassador on several occasions saying, you know, what's going to happen to the airstrip is going to be one of the things that he early on is going to have to get to President Arias about.

The airstrip was finished in that period between election day on the 15th of February and the 8th

UNCLASSIFIED

of May. By inauguration, the strip could be used, to my understanding.

[redacted]

So I was gone from the 17th of May for four weeks, and got back on a Saturday, which I think was the 15th or 16th of June. And one of the first things the Ambassador told me was, the President's just told me that the airstrip cannot be used.

Q Okay. To your knowledge, was the airstrip ever used for refueling purposes?

A Well, as I said to you the other day, to my knowledge there was never an operational flight off of that airstrip. But how then do you fit that with the famous stuck airplane?

And those dates, I just don't know. In other words, when did the airplane get stuck and when did the President say to Ambassador Tambs, no, it can't be used? It might have been like that -- in fact, it could be that as a result of that airplane getting stuck out there, this could have caused the President to say, don't use it, because President Arias, much moreso than President Monge, was extremely, extremely sensitive about any involvement by Costa Rica in the Nicaraguan conflict.

There were a number of reasons. I think his own personal predilection for very strict neutrality [redacted]

It could well be, and I don't know -- Tambs could answer that, I think --

Q I don't want to put the thought in your head, but do you recall that when you came back from your [illegible] absence in May getting into mid-June that Ambassador -

Tambs told you about the stuck plane incident when you came back?

A Castillo told me first, as I recall. The following Monday, my first day at work, as I recall.

Q So you do recall that you learned about this incident when you came back from your vacation?

A Yes indeed. Almost at the same time Ambassador Tambs told me that he had gotten -- that Arias had told him that the airport could not be used.

Q Did Castillo tell you what was on the plane when it was stuck?

A No.

Q Did he tell you anything was on it?

A No.

Q What did he say happened as a result of this incident?

A Th[redacted]e landed and got stuck in the mud out there, that's basically it. Now, I have assumed -- I never asked about this -- that when the airfield was finally occupied by the Costa Rican civil guard finally, they picked up gasoline drums of gasoline there. My assumption was that the plane brought that gas in to preposition it in case it could be later used for operations flights.

This is why I say to my knowledge there was no operational flight. I had assumed that that gas was brought in and put there for later use and the plane got stuck.

Q Now let's go back, actually not too far, but let's go back to March of 1986. Some time toward the end of that month, General Singlaub and **an associate of his** named **Barbara** Studley -- you don't know about her?

Well, General Singlaub came to Costa Rica. When did you first hear that he was coming or that he was there, and in what context did you learn it?

A It was a Monday morning, as I recall it. The Ambassador called me in to say that he had been called that weekend by General Singlaub. We didn't know that he was coming, didn't know he was there.

Singlaub called to say: I'm here, I've been talking to Eden Pastora, and I want to come in and tell you what I've been talking to Pastora about. And that was on a Monday morning, as I recall.

I seem to recall then that Singlaub came in the next day, on Tuesday morning. I'm not quite clear on that, but I remember learning of the Ambassador telling me, well, Singlaub's here, he just called me over the weekend and said he wanted to come in and talk to him.

And he did come in and spend, as I recall it, about two hours, from about 10:00 o'clock until noon.

Q Who was present in this discussion?

A Well, first the Ambassador met with him alone for I would think an hour. Then he called me in, and then called Colonel Lent down later on. I think I came in, it must have been around 10:00 o'clock, and Colonel Lent must have come down about -- let's see.

I went in about 11:00 o'clock. I think Colonel Lent came down later, about 11:30. The Ambassador had to leave. He left about 11:30. I don't recall why.

But at the end, it was just Lent and I and Singlaub having a rather vague conversation. Certainly he did not discuss with us what he had talked to Pastora about. The conversation and one of the reasons we brought John down was, while the Ambassador and I were with him Singlaub was talking about Pastora, but seemed not to know too much about him.

John Lent had been military attache in Nicaragua and knew all of the characters probably better than any of us. And as I recall, the Ambassador called him down for that reason.

And that last half hour that John and I were there, it was Singlaub talking about Pastora and what kind of a man he was. John did not think very highly of him, either. Neither did I, Pastora.

UNCLASSIFIED

But that was basically the substance of the conversation. And then Singlaub said he had to go back to his hotel to get a suit, and I was going to lunch, and so I put him in the van that I had and drove him over to the hotel and dropped him off for lunch. And that's the last time I have ever seen him.

Q Do you specifically recall that Castillo was not present for this conversation?

A I don't think Castillo was in the country that day. [redacted] It's my recollection he was not, because I recall Castillo telling me when he came back that -- it was just a few days, that he was very glad he had been away.

We did not know Singlaub was coming.

Q Did you get any indication from Castillo that he knew that Singlaub was in the country?

A No.

Q Now, Singlaub in this meeting gave to the Ambassador the terms of an agreement he had reached with Eden Pastora, is that correct?

A Evidently so.

Q Were you there for that part of the conversation?

A No, I was not.

UNCLASSIFIED

Q Do you know whether or not the Ambassador had a written agreement that was given to him or not?

A No, he did not -- he told me he did not ask for it, nor did Singlaub offer him any copy or anything like that. As a matter of fact, it was some time later, a month or two later, when the Ambassador was having one of his periodic interviews with the visiting press, in this case Tom Golden of the Miami Herald, and at the end Golden -- I got this from the Ambassador when he came back from across the street, where he was giving the interview.

Golden said -- the Ambassador said that Golden had begun to press him very hard: Singlaub was here; did you talk to him, did you intervene for him? Are you cooking up an agreement?

All of which the Ambassador denied. He said he had never seen an agreement, at which point the Ambassador said Golden reached in his pocket and pulled out a piece of paper and said: If you want to read it, here it is.

And the Ambassador said: No, I don't want to read it. The Ambassador did, however, report that conversation with Singlaub that afternoon.

[redacted]

[redacted]

A [redacted]

But on that, I want to make sure on the record, to my knowledge -- and as a matter of fact, before he left Costa Rica in January, I asked the Ambassador about this -- there was never any single [redacted] message sent from the embassy in Costa Rica by the Ambassador that was sent anywhere but [redacted] to Elliott Abrams.

And I know in this case it was sent to Elliott Abrams because of the nature of the reply we got back.

Q But what you're saying is the Ambassador told you that any time he used this [redacted] he did not want to communicate with, [redacted] without informing Secretary Abrams?

A Absolutely not, absolutely not. That again would be very, very contrary to Tambs' nature.

Q Anyway, there was a little bit of a controversy that erupted in the cables when the agreement was cabled back, is that right?

A Indeed there was. I did not see -- the Ambassador just as an operating style, whenever he had a report to do he would sit down and make notes during a conversation, then sit down and dictate it off. If I was there, invariably he would show it to me. If I happened to be away for some reason, he would just send it out, and usually in those cases I'd pick it up later.

In this case, for whatever reason, I never saw that message. I could have by [redacted] simply pulling a copy and reading it.

But we got a very hot reply back from Washington, that had evidently chosen to interpret the message in a way that made the Ambassador the broker of some kind of a deal between Singlaub and Pastora, which is absolutely untrue.

And the message that came back was from Elliott for the Ambassador in State channels, the NODISS channel, and it was hysterical, I would say. It questioned the Ambassador's loyalty to the President. It was so unexpected, I can't tell you.

What I had thought the Ambassador had sent is he had sent a reported cable up of his conversation. Elliott evidently did not choose to interpret it that way.

So immediately another message was sent to clarify to Elliott and others: Look, there was no brokering, there was no deal; it was just Tambs hearing out Singlaub and reporting what Singlaub said.

Q Did you ever get any indication from the Ambassador that he was for, against, or neutral about the terms of the agreement between Pastora and Singlaub?

A I think he thought the whole effort was foolish, absolutely foolish, because it would have been clear to most anyone, certainly clear to anyone in the embassy in Costa Rica, that Pastora was not a man who could be trusted an inch.

He was -- as the Ambassador used to say, he envisaged himself as a social democratic Somoza. We were dealing with an ego of epic proportions there and no ability behind it. And the Ambassador just dismissed it as a waste of time.

Q Can you recall any other occasions other than the two you've mentioned in which the Ambassador used [redacted] to communicate with Secretary Abrams and others?

A It was very infrequent.

Q The two, being the Pastora-Singlaub agreement and the Golden press conference; do you recall any others? I realize it wouldn't be frequent, but do you have any other specifics?

A Now wait a minute. I don't think he reported, there would be no reason to report the Golden press conference, in [redacted] The Golden press conference was like a month later, and the relevance to the Singlaub thing was Golden saying, do you want to read it, and the Ambassador said, no, I don't want to read it.

Q As a matter of fact, we have a copy of the cable, the matter about Golden, and that was a [redacted] [redacted] communication to Abrams, [redacted] and North.

A Fine. I didn't know about that.

Q Anyway, aside from that, do you have any specific examples you can give us of when that [redacted] was used?

A By the Ambassador? It was infrequent.

Q That's what I mean, by the Ambassador?

A I don't really recall.

Q Can you tell me that there were other occasions in which it was used, you just don't know what they were?

A Yes, yes. But you know, as I said earlier on, the things that remain high points in your memory are the very unusual, the out of the ordinary. None of this for a year and a half was itself sort of out of the ordinary.

I mean, we were operating under a very tight set of guidelines from Washington, and I'm sure -- I know that there were other occasions, and I just don't recall what they were.

Q You used the term earlier "private Americans," and I think the last time we talked you used the term "private patriotic Americans." Where did you get that term from?

A That was Tambs' sort of smiling phrase.

Q Did he ever say where he got that term from?

A No.

Q Going back to the airstrip, there came a time later on in the year in 1986 when information came your way that the minister of public security was going to have a press conference in which he was going to announce, and perhaps denounce, the strip, the airstrip.

[redacted]

[redacted]

And so in that intervening period after Arias said no -- and I think initially they did send some civil guardsmen there, maybe for a week, but then they were withdrawn. And Tambs felt strongly that they should keep that airstrip under surveillance, and nothing was done.

So then we had the information on a Friday in August, late August -- the Ambassador was on home leave then -- that Garron was going to go public with this, and we assumed would denounce it as a violation of Costa Rican neutrality, on a Saturday morning.

[redacted]

Tambs -- no, he wasn't on home leave at that point. He was at a conference at Greensboro, North Carolina. He was out of the country for only just several days, and he told me when he came back, which I think was the next Sunday, that the news of this had created a good deal of turbulence in Washington, and that he had been contacted on it, saying that it was going to be very, very difficult in Washington.

It was politically very sensitive. It was going to be very difficult in Costa Rica. And Tambs told me that he talked to President Arias by telephone midnight Friday or early Saturday morning, first to say, do you know that your minister of public security Garron is going to give this press conference?

And the President did not know. And according to what I got from the Ambassador, he pointed out to the President that this was going to be a very difficult political issue, both in Washington and in Costa Rica. The terms of that discussion I don't, frankly, know.

But in any case, the press conference was cancelled.

Q Did you know that Ambassador Tambs had been on a press conference call with Secretary Abrams and Oliver North in connection with that issue?

A Obviously, he was in Greensboro. He got the word some way. I've always assumed that either Elliott or North or someone called him [illegible], can you get onto the President and tell him to get that thing cancelled, which he did.

Q Now, after the Tower report came out, in which it quoted a message from Oliver North to Admiral Poindexter in which he talked about having talked, or implied that he had talked, with President Arias and had threatened a head of state, after that report came out

UNCLASSIFIED

you had a conversation with President Arias in which that subject was brought up, didn't you?

A Correct, I did. Before I left Costa Rica on the 10th of March, I made a farewell courtesy call, farewell on the President. [redacted]

And he was upset by that, because he said, who is this North? He said, I've never talked to him, I've never seen him. You know, he said, [redacted] about cut[redacted]d is absolutely ridiculous.

[redacted]

UNCLASSIFIED

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Q But he basically stated that he never to his knowledge ever talked to Oliver North in his entire life?

A Absolutely.

Q Were there one or more occasions on which airplanes, private airplanes making drops, supposedly making drops of supplies into Nicaragua to the contra forces, had to make emergency landings at the San Jose International Airport?

A That happened three or four times.

Q Tell me what you can recall about those incidents?

A They were basically fairly straightforward, in the sense that we would learn -- I assume that the information would come from Castillo on the basis of UNO radio contacts with the plane. And it was an unexceptional procedure, in the sense that the plane would simply land, refuel, file a flight plan, pay the airport fees and fuel costs, and take off. I mean, it was nothing.

That happened, I'd say, three or four times as I recall. I don't ever recall it happening in '85. I think all in '86.

Q Do you recall the Ambassador telling --

A Excuse me. [redacted] But my impression is

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UNCLASSIFIED

that a lot of that information was coming [redacted] from UNO, from their own radios.

Q Do you recall the Ambassador telling you that he had given any instructions to Castillo about any such possible flights during any time you might be absent from the country?

A During any time I might be absent?

Q Any time he might be absent from the country. I'm sorry.

A I recall he told Castillo on occasion where he was going to be out -- he was invited out to make speeches and things. I remember his telling Castillo that he did not want to have any resupply flights during the time he was absent from the country. I recall that once, yes.

Q During your tenure in Costa Rica, did you ever have the impression that the Ambassador was free-lancing, so to speak, was off on his own on the various matters he was involved with that we have discussed?

A Absolutely not, absolutely not, just unequivocally no. This would not be in keeping with Tambs as I know him as an Ambassador. He was not a timid man, but he was not one that would freelance, particularly on an issue of this sensitivity. No, absolutely not.

Q You certainly had the feeling that he was getting his directions and keeping informed these three members of the RIG we discussed earlier?

A Absolutely. As I mentioned to you when we talked earlier, you know, quite the reverse was true. One of the problems that we had there was what I'd say micromanagement from Washington.

There were things going on, for instance there were conversations with Pastora, particularly after he decided to throw in the sponge and leave the struggle. There were conversations here with various Meskito and Masurisata Indian groups. There were conversations here with UNO.

Q Here, you mean in Washington?

A In Washington or other places. And contacts, certainly none of which we knew about, none of which we were informed about, and the normal fashion would have been by State or possibly down through the RIG. [redacted]

And it was very disquieting, because at that time when we were cheered that Pastora had finally given up and gotten out and those people that he had that wanted to fight had gone into fight and the rest had simply become refugees, and that was a very great plus, there were obvious contacts to Pastora by Washington urging him to continue in the struggle. It was completely counterproductive.

[redacted]

[redacted]

Q When you said earlier they, you learned that they were having discussions in Washington with [redacted] with some Indian groups, who is "they"?

A Well, one of the to me quite embarrassing things was [redacted] that one of [redacted] deputies had been talking to Pastora on the phone, urging him to stay the course, and had even gone to Panama to meet Pastora.

Q Do you know who this deputy was?

A Yes.

Q Who was it?

A Bill Walker, so we were informed.

Q So you were told.

A You know, when you're out there, allegedly trying to carry out a policy and you don't know what's going on and you're not kept informed, particularly a policy of this sensitivity, it's a very disquieting experience.

UNCLASSIFIED

Q Okay. Tell us what you can recall about the time that Admiral Poindexter came through with Elliott Abrams and I believe [redacted] visiting various countries?

A That was a meet and greet session. He didn't just visit us. I think he stopped right down through. He was in Costa Rica I wouldn't say more than two hours. It was a meeting in the morning, a kind of getting to know you meeting.

He had just taken over, and I think it was within a month after he took over he came, maybe earlier than that. The meeting was held at a hotel near the airport and was, I'd say, an "attaboy" meeting, Poindexter saying: You know, I've just taken over; I wanted to come down to meet all you and tell you, keep up the good work.

[redacted]

Q Do you recall whether or not any discussions were held with the Admiral about the secret airstrip?

A No.

Q Do you recall whether the Admiral said

SECRET

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anything about, you know, confirming this idea about opening up the southern front? I think you told us last time you recalled he said something about it, how it was important to get the southern front open?

A You know, by then Pastora -- I think Pastora had left. I can't get the chronology. Certainly what he was telling us is that we should continue to do whatever we could to assist with the military front on southern Nicaragua.

Q Did you ever have the impression from any of your discussions with Castillo that he was freelancing or off on his own ventures [redacted]

A Well, as I said earlier, quite the contrary. I always felt that the bad times that Castillo had gone through earlier -- and I think he was on probation, as a matter of fact, with the Agency for most of this period -- appeared to me to make him super-sensitive to this issue.

No, I did not.

Q How could you tell that he was keeping his superiors informed? Is this just basically from your conversations with him, what he was telling you?

A It's an impression that I got over the whole period. He and I would talk. He and I and the Ambassador would talk. My impression was that he was receiving almost daily continuous, a continuous series of messages and all, some of which, particularly when they were oral, he did not -- these were the occasions when he said, put it in writing, send me an instruction, get it on the record.

No, you know, I did not have the impression at all that he was freelancing.

Q Okay. Now, when the Ambassador left Costa Rica at the end of 1986, so to speak --

A It was January of '87.

Q January of '87, okay. Did you all feel at that point that, as far as his original mission of opening up the southern front went, that things had been relatively successful [redacted]

A Well, looking at them in say October of '86 and comparing that to July of '85, yes, I think clearly in terms of the number of anti-Sandinista forces [redacted] I think it was substantially improved.

Success, no, I don't think you could term it a success. And obviously, when the events of November broke out, that was the end of it.

Q Perhaps "success" is too strong of a word, but it certainly had improved? The situation had improved?

A Yes.

Q Well, given the fact that the airstrip was to your knowledge never really used for its intended purpose, what was -- to what was the improved situation attributable to?

A More people; that is, anti-Sandinista forces had grown. I think that the humanitarian aid had helped in the sense of steady supplies of food and non-lethal materials. That had certainly helped.

The efforts of the private American groups in getting lethal supplies in was certainly evident. They had something to fight with.

Yes, I'd say those three reasons.

Q Did you ever know that Castillo was assisting the private patriotic groups in getting lethal supplies into the southern forces?

A No.

Q Did you ever know that Castillo was assisting in coordinating air drops of any kind for the southern forces?

A I can't say so of my own knowledge. I don't find that exceptional because I never talked about operational details with Castillo, nor did he with me.

Q He never talked with you about those matters?

A (Shakes head negatively.) I knew that they would occur. Sometimes he would say, you know, that there was a successful drop, or I understand that the troops [redacted] are out of ammunition [redacted]

So I certainly knew there were drops going on, certainly.

Q Did you ever learn that Castillo had a special encryption device that had been delivered to him by which he could communicate with the supply people [redacted]

A No. I had always assumed that that communication was through the regular [redacted] channel [redacted] That was my assumption.

This whole issue of the separate communication facilities is amazing.

Q And you never met or talked with Robert Owen about anything, is that right?

A No, but after we spoke the other day, I might have met him in -- I'm just not sure whether I ever met him or not. If I did, it would be one of those meetings where I was in the area where our two secretaries sat when he came out with the Ambassador and the Ambassador said, you know, this is so-and-so.

I'm not sure that that even happened. But if

I ever saw the man, it would have been no more than that, a handshake.

MR. TRAYLOR: Just a couple of questions.

BY MR. TRAYLOR:

Q I'd like to go back to the discussion that you participated in where Tambs briefed Elliott Abrams, around Christmas, you believe, of late '85 or early '86. You said this was, you believed, Abrams' first trip to Costa Rica?

A I recall it as his first trip to Costa Rica, and that's what puzzles me about the dates. I just can't think of what the dates were that he visited, because he took office in July and I have a feeling that he was down there before the end of the year.

Q I just wanted to see if you could recall any more details about that conversation. In your impression, was Abrams surprised or was this news to him, or was it your impression he knew about this airstrip?

A No, it was my impression -- now, I emphasize, it was a very brief conversation. It might have been less than five minutes. They had their bags, they were ready to go.

As I recall it, it was the Ambassador telling him where the airfield matter stood. I just don't know. There was no surprise that I recall expressed at all.

Q Did he say anything, Elliott?

A I don't recall. I just don't recall.

Q Were there other Abrams trips to Costa Rica?

A Yes. He was there with Ambassador Carlucci fairly recently. He was there for the inauguration in May. I have the impression that he was there then. He was there two or three times while I was there, independently of the two occasions I've just mentioned, always, as I recall it, on multi-stop trips. I don't think that he ever flew to Costa Rica and flew back, I don't think so.

And the first of those occasions was the one I recall that the airfield was mentioned very briefly.

Q Were there other occasions during these other trips down there by Abrams where the southern front was discussed, like the one about the airfield?

A No, I can't say that I recall that. Elliott never there visited when the Ambassador was [redacted] not there. In other words, he never visited there while I was chargé. And usually when he would come it would be the Ambassador that would grab him off to go to see the President or others.

I didn't accompany him on those calls, and he never stayed very long. These were always very brief trips, you know, in and out.

No, I can't say that I ever heard that matter discussed.

Q That matter or any other related matter -- I guess my question is, was it clear to you that Abrams was involved in the southern front operation?

A It was absolutely clear to me, yes. Now, you say how was it clear, you know --

Q Aside from the one conversation?

A Well, you know, it was very clear that he was involved with the conversation with General Singlaub. He certainly responded very strongly to that. I just, you know, I have to give you my impressions on that, and I just had never had the feeling that Elliott was out of the loop.

Did I sit down and talk to him about these matters? No, I never did, ever.

Q Were you acquainted with Oliver North?

A I met him once, shortly after my arrival and the Ambassador's arrival. He visited Costa Rica, I think for the purposes of talking to some of the UNO people, as I recall it. And I met him at the Ambassador's house, 9:00, 9:30 in the evening, when I got there from my house.

We went into the family dining room, and as a matter of fact they were fixing some sandwiches or something like that, and North was basically killing time there waiting to go on to an appointment, as I recall, that was around 11:00 o'clock or something like that. So I was with him and the Ambassador and Castillo for approximately an hour.

There was no substantive conversation that I recall.

Now, I think he might have visited there another time on vacation with his family. I just have the impression that he came down and went up to the coast, the north coast.

Q What was your perception of North's role with the contras and then the southern front operation?

A My impression was that he was very operational, that much of the work -- my impression was much of the work with the private American groups he was doing. That was my impression.

I don't have the impression, for instance, whatever arrangements were made, legal arrangements that bought or purchased the land, with the owners of the land for the airstrip, and the Panamanian company, I don't have the impression that, for instance, Elliott was personally in an operational sense involved with that at all.

I'm quite certain that he knew about it, but

UNCLASSIFIED

it was a type of thing that I think was managed between the Agency and North. That was always my impression. It would be customary, that kind of operational stuff.

Q Mr. Tull, are you aware of any third country solicitations by North or anyone else for the contras?

A No.

[redacted]

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[redacted]

MR. TRAYLOR: Thank you. That's all the questions I have.

THE WITNESS: Could I mention one other thing? You asked me earlier about where did the Boland amendment fit into all of this.

BY MR. TRAYLOR: (Resuming)

Q You mean during the first interview?

A That set me to thinking, and I guess my assumption was and is that we were down there carrying out a policy or carrying out policy instructions, and the Boland amendment was certainly a factor, but it was not a factor that I ever felt we had to worry about.

In other words, that was Washington's problem. We were getting marching orders, and I assumed that as part of the evolution of these program ideas that the Boland amendment and how close that was skated to was part of it.

I never had the feeling that that was

something -- that that was a litmus test that we had to use in Costa Rica. I just never had that feeling.

Q I take it that you never received written instructions or any kind of refinement from Washington regarding the Boland amendment, what you could or could not do with respect to the Boland amendment?

A Not that I recall.

BY MR. SMILJANICH: (Resuming)

Q Do the names --

A You might check -- you see, the one that was concerned about that -- and again, it was in connection with what I heard him say several times about, give it to me in writing, I don't want it on the phone -- would be some of Castillo's messages on the subject.

I have the feeling that, of the three of us, that he might have been more sensitive to that than either the Ambassador or I, certainly than I was [redacted] I can't swear to that.

I heard him say that frequently enough that maybe he was concerned about that. I'm guessing.

Q Do the names Rafael Chi-Chi Quintero, Richard Secord, Felix Rodriguez mean anything to you as far as people you were aware of that were involved at all with these private patriotic Americans during your tenure?

A No.

Q After this press conference came up and President Arias had the press conference called off, shortly after that did Ambassador Habib visit the country on another matter and bring that topic up again with the President?

A You know, I think that Ambassador Habib did come. I think that the subject came up tangentially [redacted]

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[redacted]

Q Mr. Tull, one last area I wanted to ask you about. Ambassador Tambs resigned his post as Ambassador in January of this year, 1987. Based on your conversations with him throughout the latter part of 1986, does his resignation have anything to do with the controversies that erupted in November?

A Absolutely not. And as I told you before and I've told him, I still don't understand why he hasn't made that clear, because there's nothing mysterious about it.

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Ambassador Tambs and his family were on home leave in August and September of 1986. I had the impression, something that his secretary mentioned even before he left for home leave, that perhaps he was thinking of going back to Arizona State. He was a tenured professor at Arizona State. He was on leave and had been on leave for four years.

And I knew that they were anxious to get him back. I knew that when we served together in Columbia, that they were anxious to get him back even then. I think he was even listed in the catalogue for 1985.

The day he and Phyllis and family came back, as I recall, about the 26th of September, my wife and I met them, went over to the house and sat down, and almost the first thing he told me he said: Jim, I'm going to be leaving in January.

And that was sad news. It was a real shock since we had worked well together. And as it happened, he said: Well, I was back in Phoenix and talking to the President of Arizona State, and he told me that his job, his the Ambassador's position, had been vacant for four years, that they had never filled it, never hired anyone to fill it, and that the time had come when either the university had to have him back in a teaching capacity or he would have to resign and lose tenure.

And of course, Ambassador Tambs, with a large and still growing family, as he laughingly says, he'll be working while we're all at the Shady Acres Rest Home, he'll still be working, could not in any way, shape, or form lose tenure. He is not independently wealthy or anything like that.

And so as a consequence of that, he told us that night, my wife and I, that night that he would be leaving in January. But he said, I'm not going to tell anyone about it now because as soon as you do that you become a lame duck, not only in the eyes of the host government, but also in the eyes of Washington.

And he also said, I know that there are those in Washington who do not want to see this trip by President Arias to Washington come off, and if I tell them I'm leaving my leverage is gone, and they'll find some way to postpone this thing until a new American Ambassador arrives.

And he said, I'm not saying anything. And so we said fine. And he stuck to that, even after the events of November broke, and it was clear, you know, everyone was going to make the perfectly logical assumptions from this.

But nevetheless, not a word to anyone. On the 1st of December, it was a Monday, he sent a telegram to the director general of foreign service, George Best, announcing that he would be resigning in January. On Tuesday the 2nd, we had a regular senior staff meeting. He told them that he would be leaving.

And when he got on the airplane with Oscar Arias on the 3rd, Wednesday, he told the President. And that was not well received in Washington. We had talked about this through the fall and I told him, you know, Ambassador, you ought to think of at least tipping off Elliott or somebody.

And he said, no, he would just keep that to himself, and he did. And of course, everybody respected his confidence.

And it's unfortunate, I think, in some fashion Elliott found out about it before he told him, and you know that never makes for good relationships. It was just unfortunate, but he was absolutely adamant to do it that way.

So it had absolutely nothing to do with it. And when Senator Dodd was down right before I left, we were sitting down talking to some of the staffers and they brought up this, a Ms. O'Connell. And I said, you know, there's no mystery, and I told them the same story. And I said, you can believe it if you want to, it's up to you, but I know what the facts were, and those were the

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facts.

And I just simply don't understand why he hasn't made that clear. But I have no problem doing so for him.

Q [redacted] DCI Bill Casey [redacted] at some point in 1986, did you participate in any meeting with him?

A No. [redacted] I met him, but we had no conversations, nor was I in a conversation where matters of substance were discussed. I did meet him, that's all.

MR. SMILJANICH: Okay, that's all I have.

(Whereupon, at 3:38 p.m., the interview was adjourned.)

____

Signature of the Witness

Subscribed and sworn to before me this ____________ day of ________________________________, 1987.

____

Notary Public

My Commission Expires: ________________________________

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TESTIMONY OF GENERAL JOHN W. VESSEY, JR. (USA, Ret.)

Friday, April 17, 1987

United States Senate
Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition
Washington, D. C.

Deposition of GENERAL JOHN W. VESSEY, JR. (USA, Ret.), called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 7:25 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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under provisions of E.O. 12356
by D. Sirko, National Security Council

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APPEARANCES:

On behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition:

ARTHUR LIMAN, ESQ.

MARK BELNICK, ESQ.

JOHN D. SAXON, ESQ.

CLARENCE H. ALBRIGHT, ESQ.

VICTORIA NOURSE, ESQ.

On behalf of the House Select Committee:

ROGER KREUZER

JAMES ROSENTHAL

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PROCEEDINGS

Whereupon,

GENERAL JOHN W. VESSEY, JR. (USA, Ret.), called as a witness by counsel for the Senate Select Committee, having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. BELNICK:

Q Good morning. Just for the record, would you state your name, General?

A John W. Vessey, sometimes John W. Vessey, Jr.

Q General Vessey, you were Chairman of the Joint Chiefs of Staff?

A Yes.

Q During what period of time?

A From 18 June 1982 until 30 September 1985.

Q And you retired from the military at that time?

A Right.

Q General, I'd like to show you a document that I'll ask the Reporter to mark as Vessey Exhibit 1.

(The document referred to was marked Vessey Exhibit Number 1 for identification.)

For the record, this document is dated May 1, 1985 and it's labeled as a memorandum for General John W, Vessey,

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by D. Sirko, National Security Council

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Jr. from Oliver L. North, Subject, FDN Military Operations. General, I'd like you to take a moment to look through the document, and my question will be if you recall receiving this memorandum on or about May 1, 1985.

A No. I can tell you I do not, and in fact do not recall ever receiving any memorandum from Oliver North.

Q Have you talked to people in your office who were associated with you during your chairmanship of the Joint Chiefs about whether they have any recollection of this memorandum?

A Yeah. I heard about this after the Tower Commission report came out and I talked to my Executive Assistant, Major General George Joulwan, and he has no recollection. The only other one who might know about it would be Admiral Art Moreau, who died in December, unfortunately, who was my assistant.

It's possible that if it ever did arrive over there there's one other person who might know. That is, if something like this arrived, it would be either me. Joulwan, Moreau or Art Moreau's Executive Assistant, who was a Navy Commander named Gail Dady.

MR. LIMAN: How does he spell his name?

THE WITNESS: It's a she -- G-a-i-l, D-a-d-y. And I don't have her address at the moment, but she is at some air station on the east coast.

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BY MR. BELNICK: (Resuming)

Q What was her position in 1985?

A She was Admiral Moreau's Executive Assistant.

Q There is reference in this memorandum, if you loo on page three, to current donors who were making contributions to the contras in 1985. As of May 1985 were you aware of contributions from any foreign governments to the Nicaraguan resistance?

A I can't tell you whether it was May of '85 or whe it was. My general recollection is that it might have been later than May of 1985, but perhaps it was earlier, [redacted] who was one day visiting me about something else, [redacted] and I suspect it was probably the summer before.

Q Summer of 1984?

A Whenever the restriction was in.

MR. LIMAN: When the funding ran out; is that whe you identified?

THE WITNESS: Pardon?

MR. LIMAN: Was it when the funding by the United States Government ended?

THE WITNESS: After the funding by the United States Government ended, after the Congressional restrictio was on. It was at some time after that, and I frankly can' tell you what the day was. I could probably look back and tell you when [redacted] came to visit me.

BY MR. BELNICK: (Resuming)

Q Do you have a diary in which you record those sorts of appointments?

A No. But I've got some little cards that I kept with my day's activity, and it may or may not include [redacted] visit.

Q You still have those cards?

A I think I have them.

Q If you could take a look for that date, we would appreciate it, and if you'd advise us.

MR. LIMAN: How often did [redacted] visit you?

THE WITNESS: Oh, I'd say maybe four or five time while I was Chairman.

MR. LIMAN: And do you identify this as occurring before [redacted]?

THE WITNESS: I can't. It was a non-important event from my point of view. But, at any rate, [redacted]. But that number could be wrong.

I reported it to Secretary Weinberger. His reaction was about the same as mine, sort of surprise first that [redacted] would do it and, secondly, that he would tell either one of us. And that was the end of it.

MR. LIMAN: Could it have been [redacted]

THE WITNESS: No.

MR. LIMAN: Did he tell you whom he dealt with to [redacted]?

THE WITNESS: No.

MR. LIMAN: He didn't tell you that it came up in a conversation between him and Mr. McFarlane?

THE WITNESS: The only thing he told me was that [redacted] and he said that he believed that it was important because the United States had supported these people, that it was important that they succeed, and he didn't want to see another United States failure. And that was --

MR. LIMAN: Sorry, Mark.

BY MR. BELNICK: (Resuming)

Q Was anyone with you when [redacted]?

A No.

Q Did you have any further conversations with [redacted] or anyone else about [redacted]?

A No.

Q [redacted]

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A No.

Q Did he tell you which official or officials of th United States Government, if any, he had discussed it with?

A No. He made no reference to any officials of the United States Government.

Q Did Secretary Weinberger get back to you with any further comments about [redacted] after you reported it to you?

A I think, frankly, that Secretary Weinberger forgo that I told him.

Q Why do you think that?

A Because it just never came up again.

Q Mr. McFarlane has testified to the Tower Commission that he was informed by you that [redacted] Did you see that testimony recorded in the Tower Commission?

A I saw that.

Q Do you recall telling Mr. McFarlane that?

A I have no recollection of any conversations with McFarlane, at least I had none, and since that time I have wracked my mind trying to think of a conversation with McFarlane. And it seems to me that at one time we came out of a National Security Council or National Security Plannin Group meeting in the NSC wing of the White House, and that

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some conversation with McFarlane took place [redacted] But I don't recall the substance of it or anything other than it being sort of a casual thing as we went out.

[redacted]

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[redacted]

Q Do you know who John Singlaub is?

A I know John Singlaub very well.

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Q Have you had occasion to discuss with him at any time his efforts in raising funds for the contras?

A I never discussed his efforts in raising funds for the contras. John Singlaub saw me in probably the winter of '84, I would say -- that is, the '84-'85 winter. He came to Washington and wanted to see me, and I met him and had breakfast with him.

And he told me that he was helping the contras.

Q Did he tell you how he was helping the contras?

A He told me he was trying to help them with organization, trying to find retired people who might give them some operational and logistical advice.

Q Anything else?

A Not that I remember.

Q Did he tell you that he had any involvement in fundraising?

A I don't recall that he told me he had any involvement in fundraising. He said people were contributing money. It's just a thing that was not high on my list of things to do.

Q What did you say to him when he told you about his efforts?

A I don't recall that I said anything to him, except okay.

Q Well, did he ask you for any advice?

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A He asked me if I knew of any guy who was retired who might be a good logistician. He said the contras are getting their clocks cleaned by arms merchants and he said he was looking for somebody who might assist them in organization and that sort of thing.

Q What did you understand him to mean by that?

A That they were getting fleeced.

Q Ripped off?

A Ripped off.

Q Did he mention any specific arms merchants who he thought were ripping off the contras?

A No, he didn't.

Q Did he mention the name of Secord at the time?

A No.

Q Did he mention Thomas Klines?

A No.

Q Did he mention Raphael Quintero?

A No.

Q Any names at all?

A No.

MR. LIMAN: Hakim?

THE WITNESS: No.

BY MR. BELNICK: (Resuming)

Q Did you know somebody to recommend to him?

A No, I didn't.

Q Did you recommend somebody he could ask for a recommendation?

A I told him that I would ask the Army if they knew of anybody, and I don't remember whether I ever did it or not.

Q Whether you ever asked the Army?

A Right. It seems to me that I told probably Max Thurman, who was the Vice Chief of Staff, and asked him if he would know of anybody, but I really don't recall whether I did it or not.

Q Do you have any recollection, General, of getting a recommendation back from General Thurman or someone else?

A No, none.

Q Do you know Bill Masterpol?

A No.

Q I imagine you were concerned when General Singlaub told you that the contras were getting fleeced by arms merchants.

A Yes.

Q Did you ask him what he knew about that specifically?

A Well, he gave me some examples at the time -- I've forgotten what they were -- about the contras paying high prices for things that ought to cost a small amount of money and the delays in getting them there.

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Q Bad equipment?

A I don't specifically recall that that -- it could have been.

Q Did you report Singlaub's allegation about the ripoff to anyone at the Pentagon?

A No.

Q Or in the White House?

A No.

Q Did you make any record of the conversation with Singlaub -- memo, notes?

A No.

Q Where did you see him on that occasion, do you remember, General?

A Yeah, my house for breakfast.

Q Did you see him again after that?

A I never had another meeting with him, but I've seen Jack Singlaub from time to time, perhaps at Association of U.S. Army meetings. He's in and out of town.

Q Let me broaden it. Have you had any discussions with General Singlaub since the one in the winter '84-'85 about the contras, anything to do with the contras?

A Not that I recall.

Q And no discussions at any time in which he told you more specifics about the arms merchant ripoff?

A I don't recall any.

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Q Do you recall him telling you about his efforts a any time in '84 or '85, '86, about fundraising [redacted] [redacted]?

A He said -- as a matter of fact, I think it was at this particular meeting --

Q The breakfast?

A This particular meeting. Now that you mention that, it seems to me that he said that it would be nice if [redacted] knew that he was helping the contras in the interest of the United States or something like that.

Q Did he ask you to help get that message to [redacted] [redacted]?

A I can't tell you whether he asked me. It was sor of by inference, I think. You know, I think Jack understoc that I was in a position in the United States Government an we were by law prohibited from helping the contras.

Q Did you indicate to him that you could or would make any communication or message to [redacted] about his efforts?

A No, none.

Q General, you mentioned the cards before that you have that show your appointments. Do you know whether you would have a card that would indicate the date of this meeting with General Singlaub?

A I might. I don't know.

Q Again, if you would be kind enough to take a look and let us know whether you can fix the date of the meeting with General Singlaub more precisely, that would be most appreciated.

A Okay.

Q I mentioned General Secord before. Do you know wh General Secord is?

A Yes.

Q Did you ever hear, apart from recently, since November 1986 when there have been all these press stories, but prior to November 1986 had you heard that General Secor was involved in any way in assisting or purporting to assist the contras?

A Everything I know about Secord and the contras I've gotten from the Washington Post or the Minneapolis Sta Tribune.

Q In 1984 you were Chairman of the Joint Chiefs and you recall that it was in that year that Congress shut off at least temporarily American aid to the contras. What planning were you aware of in the government for keeping th contras viable or seeing that the contras remained alive during the period that the United States Government was banning any funding?

A I was aware of none. Supporting the contras was not our business, was not JCS business or Defense Departmen business. The CIA was doing that. In fact, for us it pose some additional problems in figuring out what was going on in Central America, because up to that time we got information about the operation of the contras from the CIA And, of course, we were concerned with the overall security in Central America and had to find new ways to find out wha was going on between the contras and the Nicaraguans and in fact had to focus some intelligence in that direction to find out what the contras were doing.

Q You received intelligence reports, though, from DIA as well concerning the contras, not only CIA?

A Oh, sure.

Q Did that reporting by DIA continue throughout the period that you were Chairman of the Joint Chiefs?

[redacted]

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[redacted]

Q Now the funding restriction went into effect in October 1984. Would that have been the time that you --

[redacted]

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[redacted]

Q General, have you heard that there was a time that the CIA asked the DIA to keep its nose out of the contra matters and not to be involved, for example, in reporting anything to do with Nicaragua?

A I don't recall it.

Q Never heard anything like that?

A No. And I must say that my technical contacts with the CIA were pretty slim.

Q Would you mark this next document as Vessey Exhibit 2?

(The document referred to was marked Vessey Exhibit Number for identification.)

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For the record, Vessey Exhibit 2 is a memorandum dated March 11, 1985, addressed to a number of persons, including General Vessey. It's from Robert C. McFarlane. The subject is assisting Guatemalan progress toward democracy. The memo has attached to it in the form we received it from the NSC certain documents that we have numbered N7188 through N7199.

General, if you take a look at the exhibit my question will be whether you recall receiving at least the memo which is the first page of the exhibit and, if you do, whether you recall receiving it with the attachments.

A Yeah, I have a vague recollection of seeing the first page, but I'm quite confident that I didn't receive the attachments.

Q Okay. Then if I could ask you to please look at the first page, this appears to be a memo from Mr. McFarlane urging an increase in assistance to Guatemala in order to assist their progress towards democracy based on conversations he had in Guatemala in January. Do you see that in there?

A Right.

Q Do you recall any discussions about this McFarlane proposal after you received this?

A Not really, but that doesn't mean there couldn't have been. This is the sort of thing that, you know, it's

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$300,000 in IMET and $10 million in security assistance. It's pretty much down below the noise level of things that worried a lot about.

Q It sounds good to me, though.

A It sounds good to me right now.

(Laughter.)

Q My mortgage is due today, so it sounds better.

A I just paid my taxes.

Q You win

(Laughter.)

A It's the sort of thing that we would, you know, give to the security assistance people and tell them to get on with it. And our connections with Guatemala were, you know, almost zero then.

[redacted]

[redacted]

Q General, let me ask you a few questions about Oliver North. You knew him while you were Chairman of the Joint Chiefs?

A Vaguely. That is, if you put me in a room I probably could have told you which one was Oliver North.

Q We went through the first memorandum, Exhibit 1, which you don't recall ever having received. Do you recall ever getting memos from Oliver North of any kind?

A I don't think so. I don't think I ever got one, but it doesn't mean that Oliver North might not have addressed a memo to me.

Q I understand. Do you know what his position was at the NSC?

A Well, I knew that he was -- that he had Central America as one of his areas of concern.

Q And what did you understand his role to be on the Central American account?

A That he was representing the NSC staff in the interagency deliberations that had to do with Central America. That was my knowledge about North.

Q Did you hear whether he had any involvement in facilitating supplies or other forms of assistance to the contras, whether money, humanitarian aid, any sort?

A No, except that if that were to be done and the

NSC staff knew anything about it, it would have certainly been Oliver North who knew that.

Q But did you know whether that was --

A About the details of what he did, I don't know. And North was vigorously involved in the Central American activities. I know that he made trips to Central America every once in a while. I'd hear that North was in Central America.

Q Did you get reports on those trips, on his activities?

A I don't recall any reports I got about Oliver North's specific activities. I'm sure that I was told by the CINCSOUTH that North was there or, you know, he routinely told me when Congressmen were there or special visitors were there.

MR. LIMAN: Did you understand that the NSC had taken over some of the CIA's role once the funding restrictions came into effect with respect to Central America?

THE WITNESS: No.

MR. LIMAN: How often would you meet with the National Security Advisor? Was it a weekly meeting?

THE WITNESS: We met whenever a meeting of the National Security Council or the National Security Planning Group took place.

MR. LIMAN: Was there any regularly scheduled meeting with the President of the United States?

THE WITNESS: Well, for me there were two sets of meetings with the President -- those previously mentioned, the National Security Council meetings or National Security Planning Group meetings, and they weren't regularly scheduled but they occurred frequently, sometimes three times a week; there may have been times when there were more, but perhaps one could expect one or two a week, but there were weeks without any.

Then, the other meetings were the quarterly meetings with the Chairman of the Joint Chiefs of Staff and the President.

BY MR. BELNICK: (Resuming)

Q General, do you recall any NSC or NSPG meeting on the issue of Central America during 1985?

A Oh, I'm sure we had meetings in 1985, but we didn't have as many meetings as we should have had, it seemed to me. The Chiefs raised concerns with the Secretary that we were not meeting on Central America. In earlier years we had met more often on Central America.

Q And what was the Secretary's reponse?

A Well, I think the Secretary probably agreed with me.

Q Do you know whether the Secretary conveyed the

Chiefs' concern to the President?

A I don't know that he did, but I hoped that he did.

Q Did you hear any feedback from him?

A I probably did, but I don't recall specifically what it was because there were other things that we were not meeting on, too, in 1985.

Q But, in any event, the meetings on Central America did not become any more frequent in response to the concerns you voiced?

A They did not.

Q General, the quarterly meetings that you had with the President, was that you alone with the President?

A No. It was the Joint Chiefs, Secretary of Defense,and then whomever the President brought to the meeting, and almost always the National Security Advisor -- in fact, always, I would say, the National Security Advisor. And usually the Chief of Staff.

Q Those meetings were held at the end of the calendar quarter?

A No, they were held when the President said they'd be held.

Q That sounds familiar. Do you recall discussion of how the contras were doing at any of those quarterly meetings in 1985 before you left?

A I don't recall that that was a subject of those

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meetings.

Q General, you said that you received reports from CINCSOUTH about North's visits. Who was CINCSOUTH at the time?

A There were three during my time as Chairman -- Wallace Nutting, and then Paul Gorman, General Paul Gorman, and the present CINCSOUTH, Jack Galvin.

Q Do you know Colonel Steele?

A I know Colonel Steele.

Q And you were familiar with his mission in El Salvador?

A Right.

Q Were you aware of any activities that Colonel Steele had or any responsibilities he had vis-a-vis the contras in 1984-1985?

A So far as I know, he had none.

Q Did you ever receive reports that Colonel Steele was involved in any way in facilitating contra resupply?

A No.

Q So as far as you knew before you left the Joint Chiefs Colonel Steele had no involvement in assisting the contras; is that correct?

A Correct.

Q Did you receive reports from Colonel Steele at all about any North activities in Central America?

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A I received no -- you know, Steele is a guy -- I wouldn't receive reports from Steele. I saw Steele during my visits to El Salvador. Steele's report would have gone to the Director of DIA.

Q Do you know [redacted]

A No. What country is he from? That doesn't ring well.

Q That doesn't ring a bell. Let me show you this next document, which has been marked as Vessey Exhibit 1.

(The document referred to was marked Vessey Exhibit Number for identification.)

For the record, it's a memo dated January 3, 1985 from Secretary Weinberger to the President's National Security Advisor, showing a copy to the Chairman of the Joint Chiefs of Staff.

General, have you seen that document before?

A I'm sure I have.

Q Do you recall whether there was an NSPG meeting scheduled in early 1985, as the Secretary recommended, to work out a new policy towards Nicaragua?

A I cannot tell you whether we had one. This was - you know, this goes back to what I told you earlier in trying to get that sort of thing glued together.

Q Do you recall that there was a draft? I'm sorry,

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General. Did you have something else?

A I was just going to say to the best of my recollection I think I urged the Secretary to send this memorandum or a memorandum like that.

Q Do you recall that there was a draft NSDD on Central America prepared at the beginning of 1985?

A You know, we had draft NSDDs. I'm sure there probably was.

Q But you don't recall the fate of that NSDD?

A I don't recall it.

Q General, let me turn to another subject for a moment -- the Iran arms transactions. Did you have any information at any time while you were Chairman of the Joint Chiefs of Staff of American involvement with arms shipments or sales to Iran?

A No.

Q Had you heard that we were approving Israeli shipments of arms to Iran?

A No.

Q Facilitating transfers from any third country to Iran?

A No. As a matter of fact, when I went to Israel I urged the Israelis not to send arms to Iran.

Q When was that, sir?

A It would have been '84, I guess.

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Q And who did you meet with in Israel at that time?

A I met with General Levy, the chief of the general staff, with what's his name, the guy that was the Defense Minister who had previously been ambassador here.

Q Not Rabin?

A No.

Q I know who you mean.

A He was ambassador here and went back to become Defense Minister. And, of course, I met with --

Q Moshe Arens?

A Moshe Arens, right. I'm not sure that I raised i with Arens, but I certainly raised it with Levy.

Q General, have you ever heard of something called [redacted]?

A No. I don't recall having heard of it.

Q Are you familiar with a covert program involving [redacted]?

A No, I'm not.

[redacted]

Q [redacted]

A Right.

Q [redacted]?

A I don't know.

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Q When you went to Israel in 1984 [redacted] Were they asking your opinion on it? Wer they selling at the time, to your knowledge?

A No, no. It was rumors or reports, I suspect [redacted].

Q Did General Levy or Minister Arens, if you spoke with him, respond [redacted]?

A They acknowledged the message. Levy acknowledged the message.

Q When is the first time you heard about our involvement in sales or transfers of weapons to Iran?

A The first knowledge I had of transfer of weapons to Iran came out in the newspapers, whenever it was, November or December. The Secretary of Defense, I believe, told me -- I met with the Secretary of Defense each day and we exchanged information or, more importantly, I gave him information about what was going on in the armed forces and from time to time he gave me information and direction.

It seems to me that in the summer of 1985 the Secretary almost -- he was in a state of incredulity and said would you believe that somebody is proposing that we

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have some contacts with the Iranians or something like that But I don't believe the idea of arms was mentioned. But it was sort of a passing thing.

And the Secretary -- it was kind of one of those nutty idea that has been proposed by somebody that will hav no opportunity or no chance of succeeding.

Q Did he mention who was proposing it?

A No. It clearly came from a meeting at the White House.

Q Apart from that you recall no other references to the Iran matter and didn't know anything until you read it in the newspapers?

A Right.

Q General, have you ever heard of an operation called [redacted] YELLOW FRUIT?

A I can't tell you. You know, I've looked at military names for operations for 46 years and I don't have much recollection of which one is which.

Q Do you recall, though, an operation that was either a [redacted]?

A I do recall the Army setting up an operation to [redacted] which was outside the regular procurement system.

Q Do you recall when that was established?

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A After Desert One.

Q Was General Vaught involved in that program?

A Vaught may well have been involved in that. Vaught was at that time, it seems to me, Director of Operations on the Army Staff.

Q But that's the extent of your recollection about an operation like that?

A Well, I recall that we did procure [redacted] and we converted some [redacted] to special sorts of ships.

Q Do you recall at all an operation in which it was proposed that weapons be sold [redacted]

A I not only don't recall it, but I'm sure I would have recalled it.

Q If there was?

A If there was.

Q General, was it your practice at all to make note or memos of meetings that you attended as Chairman of the Joint Chiefs?

A From time to time, if I attended an important meeting when some of the Joint Chiefs were out of town, I might have made a memorandum and circulated it to them. Otherwise I usually got them together and told them what it was.

Q And any such memos would be at the Pentagon?

A Any such memos would be in the records at the

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Pentagon. Memos I made are over there.

Q General, I have nothing else right now.

MR. ALBRIGHT: If I may, just one. [redacted]

And I can't tell you what his name is, but I'm sure I met him.

BY MR. BELNICK: (Resuming)

Q General, one final question. As I understand it no one ever asked you to solicit any funds for the contras from any government or any private party?

A No.

UNCLASSIFIED

Q Or to appear at any fundraising dinner or event run by private benefactors?

A No.

Q And you were never involved in any of that kind of activity?

A No.

MR. BELNICK: My colleagues on the House, do you have any questions for the General?

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. KREUZER:

[redacted]

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Pages 35-36

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[redacted]

Q Did we have any U.S. Government-sponsored trainin programs for the contras?

A I can't tell you what we had for the contras. I wasn't my bailiwick. I'm sure at the times when the CIA w supporting it they may well have provided some training, b I can't tell you of my own knowledge.

Q What was your relationship with the CIA? Was there an opposite number who kept you informed and who wou discuss things with you? If they said hey, we're about to get into some territory that normally is in your bailiwick would they coordinate? Was there anybody to talk with?

A What the CIA was doing in Central America is, yo know -- my main mission was to make sure that we weren't attacked by the Soviets by nuclear weapons, and that would have been coordinated through CINCSOUTH, I would suspect.

MR. LIMAN: I think what he's asking is were the regular meetings that you had with the Director?

THE WITNESS: Well, I saw the Director at these

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other meetings, at the NSC and NSPG meetings. I tried to set up a series of meetings with John McMahon, and we agreed to set up a series of meetings, not on Central America but on defense, CIA, and we met a couple of times.

MR. LIMAN: But you didn't have a weekly meeting with the CIA?

THE WITNESS: No.

MR. LIMAN: That's what I think was being asked.

BY MR. KREUZER: (Resuming)

Q He didn't discuss, nobody discussed any of this with you from CIA?

A Well, you know, that would be inaccurate to say because I met with the Chairman at the NSPG meetings. My deputy met in the interagency meetings that had to do with Central America, and he would have been more the representative that dealt with -- he saw John McMahon probably a couple of times a week, but I did not. And to say that we didn't discuss Central America, I'm sure that every time John McMahon and I did meet -- and I don't recall; I think he came to my place twice and I to his once. I'm sure that Central America was discussed.

BY MR. BELNICK: (Resuming)

Q Just to wrap it up with one point, when you spoke with [redacted] whenever that was -- and we're going to get the date from you -- do you remember whether he asked for any quid pro quo or said that he had asked for a quid pro quo?

A No. I was surprised that he told me.

Q Had you ever heard, General, that there was any understanding with the [redacted] government that [redacted] would be provided in connection with assistance [redacted] to various causes, [redacted]

A No. In fact, [redacted] that decision, I don't know what its relation [redacted] but it was made long before my time, far before my time.

MR. SAXON: General, I've got one question for yo sir. During the period when General Gorman was the CINCSOUTH, and roughly this would have been in the February '85 time frame, do you recall any discussions with him or seeing any paper flow from him in which he talked about the use of Felix Rodriguez in Central America, particularly providing assistance to the Salvadorans?

THE WITNESS: I don't recall Felix Rodriguez, eve the name, being mentioned.

MR. BELNICK: General, I want to thank you on behalf of the Senate and House Committees for coming in today at no small inconvenience and for your cooperation. We all respect you for your service to the nation and it's privilege for all of us to meet you.

What can you tell us about that?

A. The context of all of my discussions with Felix Rodriguez, with the exception of August 8th and thereabouts, were concerned with helicopter operations in El Salvador. [redacted]

He had a small group of helicopters, I think they were Hughes 500 helicopters and light observation helicopters with guns and radios, and they were constantly breaking down. Poor maintenance, repair parts, that sort of thing. And Felix wanted some new helicopters.

So he would call me up and plead with me or ask me to use my position in the office of the Vice President to put pressure on the Pentagon to either give him new helicopters or get repair teams or repair parts to El Salvador.

So we discussed that January 19th to 21st. He showed me his broken helicopters, ones with bullet holes where his copilot had been shot, things like that, and described the problems with maintaining them.

Q. Again, exclusively about El Salvador?

A. Exclusively concerning his helicopters in El Salvador.

Q. Let me go back for a moment to your January 1986 visit to Central America and ask you about a document that the reporter will now mark as Watson Exhibit 2.

(The document referred to was marked Watson Exhibit No. 2 for identification.)

Q For the record, Watson Exhibit 2 is a four-page document bearing our stamp numbers N-36450 through 454, and the first page is dated December 16, 1986, memorandum for Craig Fuller, Marlin Fitzwater, Don Gregg, from Sam Watson.

Do you recognize this as your memorandum?

A I recognize it as a document I prepared.

Q On the date indicated?

A On the date indicated, and in the form that I did it.

Q There's a handwritten notation on the first page that appears to be: "This looks good. DG." Do I read that correctly?

A You do.

Q Is that a note from Don Gregg?

A That's Don's handwriting. That's his note.

Q Now, this pertains to the same visit to Central America during which you saw Felix Rodriguez in January 1986, right?

A Correct.

Q And the memo responds to questions raised [redacted] as to whether it was legal for you to visit FDN locations in [redacted]

A. That's correct.

Q. While you were in [redacted] did you come to learn about any of the resupply operations that were then in progress for the contras, January 1986?

A. Yes, I did. I visited the [redacted] airfield in [redacted] When I visited it, it was described to me as the base for the FDN, Nicaraguan Democratic Force, military force, the base from which they conducted their resupply operations.

Q. And who did you understand was involved in those resupply operations, based on what you learned in Central America?

A. My understanding was that the FDN, a colonel, I believe his name was [redacted] an FDN colonel, a contra colonel, was running that operation out of [redacted]

Q. Did you learn whether any U.S. government agencies or officials were involved in that resupply operation, indirectly or directly?

A. There were several, it may have been two, CIA officers at [redacted] They were there to advise the FDN air force on resupply techniques.

Q. Apart from that, did you learn of any other U.S. government involvement, either through individual officials or agencies?

A. No, I did not.

Q. Did you learn anything about the so-called private supply network that was assisting the contras in January 1986?

A. No, I did not.

Q. Prior to going to Central America in January 1986, but subsequent to assuming your role with the Vice President, had you heard anything about the private contra resupply effort that was under way?

A. No, I had not. It was always the rumor around Washington that somebody was giving money to the contras, some other countries. That was in the Washington Post frequently. But I had no specific direct or indirect knowledge.

Q. Did you ask anyone whether any of those stories about foreign countries' assistance to the contras were true?

A. Not in connection with this trip.

Q. Let's forget about this trip. From the time you became employed as deputy assistant to the Vice President for national security affairs in November of 1985, straight through until the disclosures of November 1986, did you inquire of anybody as to whether there was truth to the stories that foreign countries were assisting the contras?

A. I may have, but I don't recall a date or a who.

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Q. Do you recall asking anyone?

A. I don't specifically recall asking anyone.

Q. Did you ask Mr. Gregg?

A. I don't think so.

Q. Did you ask anyone else?

A. Not that I can remember. I just never thought about that issue.

Q. Do you recall whether you learned at any time prior to November 1986 that any countries had contributed moneys or materiel to support the contras?

A. Felix Rodriguez on August 8th when he came to visit had a meeting with Don Gregg and myself, raised the issue. I believe he said [redacted] were contributing money.

Q. Apart from that occasion, which we will get to, did you learn through anyone else about foreign countries giving moneys to the contras or materiel?

A. No, I did not.

Q. At any time prior to August 8th, 1986, did you ask anyone about the private -- the efforts of private American citizens or a private network to supply the contras during the period that Congress had restricted American aid, U.S. aide, rather?

A. Only when I was in [redacted] and the [redacted] [redacted] and [redacted] talked about what they could

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do and not do, and they laid out for me what they could not do, that they could not provide materiel, moneys, supplies, go on combat operations, and they ran through that.

And on the other hand, they said they were allowed to give advice.

Q. I am talking, though, about the private network. Had you heard at any point after November 1985 that there were private Americans who were engaged in helping the contras?

A. I heard somewhere, whether it was a newspaper or whatever, that General Singlaub was involved, and that they were donating a helicopter at some point. I think it was early '86.

Q. Do you remember -- and we will get to it -- that on August 8th, 1986, Felix Rodriguez provided certain details of American citizens who were down purporting at least to help the contras, correct?

A. That's true.

Q. Prior to then, had you heard about any private network of U.S. citizens that was engaged in resupplying the contras or facilitating contra resupply?

A. Not as a result of my questioning or asking anybody, but it was in the air, in the atmosphere.

Q. Surely you had heard the stories.

A. Surely.

Q You were aware of newspaper stories, for example, in 1986, the first half of 1986, that Colonel North was somehow engaged in helping the contras in various ways? You were aware of stories to that effect?

A. I was aware of the stories, aware of the Congressional interest.

Q Aware that Congressional inquiries had been made, correct?

A. Correct.

Q Did you make any efforts to find out whether any of those stories were correct, were true or not?

A. I can't recall any specific inquiries to that effect. I made the assumption that somebody was contributing money because the intelligence reports daily said that the contras were in combat and they seemed to be an effective fighting force and getting supplies from somewhere. And without inquiring, I made the assumption, because of the intelligence, that they were being supplied somehow, or monied, provided ammo.

But the answer to your question is no, I did not make specific inquiries.

Q Central America, the contras, you said was an area that was your responsibility?

A. That's correct.

Q Why didn't you try to find out how the contras

UNCLASSIFIED

were getting all this money and military assistance?

A. Two reasons. One is what I mentioned earlier, all the other things that I had to do.

Q. But this was an important priority.

A. It's an important priority.

Q. You're not saying you didn't have enough time to ask, are you?

A. Yes. I'm not sure I'm saying it quite that negatively, but I'm saying that when you have an awful lot of other things to do you don't spend all your time on one thing, and you have a lot of other responsibilities.

Q. But this was one responsibility?

A. This was one of many responsibilities.

Q. So one reason you didn't ask was because --

A. Because I had so much else to do and so many things to do that it didn't seem to me to be a high priority thing to ask about. And the second reason is, one never knows what is compartmented or committed or authorized in a classified, compartmented government action, and I didn't see fit to ask.

Q. Well, you would find out if it was compartmented if you asked and were told it is none of your business, right?

A. I would have.

Q. Did anyone tell you, don't ask these questions?

UNCLASSIFIED

A. No, nobody has ever told me not to ask questions.

Q. Did you feel that if you asked you would get an answer you didn't want to hear?

A. No.

Q. Do you know -- did you ever discuss with Mr. Gregg how the contras were being resupplied and assisted during this same period?

A. I don't think so. You have to remember that we see intelligence every day and it shows the contras acting, and so you're assuming that they're getting something. And so it's not necessary to ask where they're getting it from.

You see the results of their actions in the combat reports.

Q. These combat intelligence reports were coming to you from the CIA?

A. That's correct, or the Defense Intelligence Agency.

Q. Did those reports ever indicate the source or sources of the contras' materiel and money?

A. I don't think so.

Q. Let's turn back, if we may, to Watson Exhibit 1, your list of contacts with Rodriquez. And we are at April 30, 1986, 7:30 p.m., drinks, Washington, D.C.

Felix was in Washington?

UNCLASSIFIED

A. Yes, he was.

Q. And you just had a social get-together?

A. We had drinks. Actually, it wasn't Washington; it was Tyson's Corner.

Q. What did you discuss with him at that time?

A. The general conduct of the insurgency and the counterinsurgency in El Salvador, Felix describing how the helicopters worked, the [redacted] and other combat operations in El Salvador.

Q. Let's turn to May 1, 1986. 11:00 a.m. meeting in office room 298. Whose office is 298?

A. Room 298 in the Old Executive Office Building is the office of the National Security Adviser for the Vice President, to wit, Don Gregg and myself and others.

Q. Is that still your office?

A. Still is.

Q. You and Felix were at the meeting and am I right from this question mark that you're not sure whether Gregg was at this meeting?

A. I'm not sure whether he was.

Q. And this was a meeting that preceded, immediately preceded, a meeting with the Vice President, correct?

A. That's right.

Q. What do you recall having transpired at this pre-meeting before the Vice President's meeting?

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A Felix arrived early for the 11:30 meeting. For someone like Felix, we would usually have them stop by our office to say hello and then walk down to the Vice President's office or, in this case, over.

Felix stopped in earlier than expected and we sat there and talked.

Q About what?

A We talked about how things were going, how his need for parts was going, what he was going to raise with the Vice President. And he told me he was going to describe for him what had been accomplished since the last time he had met with the Vice President. I think it was January '85. How he had succeeded in getting a ~~a~~ number of helicopters, his concept of operations, his need for supply parts, his need for more helicopters, that sort of thing.

Q All right. And then there was a meeting that followed with the Vice President in Mr. Bush's West Wing office?

A That's correct.

Q And the Vice President was there, you were there, Felix, Don Gregg?

A Also, not listed here, former Senator Brady, Nicholas Brady, Republican from New Jersey. At the end of the meeting, Ollie North and Ed Corr knocked on the door,

UNCLASSIFIED

poked their head in, and said: We hear that Felix was in the building seeing you, so we would like to say hello also.

Q Okay. What was discussed at the May 1 meeting with the Vice President?

A. I think it was a 10 or 20 minute meeting scheduled. It went over. Felix had a briefcase and in his briefcase he had a photo album [redacted]

He showed the Vice President the picture album. He described to him what was going on in El Salvador, showed him pictures of the helicopters, bullet holes in the helicopters.

It was a discussion of counterinsurgency operations in El Salvador.

Q Now, was there any discussion at that meeting of the situation with respect to the contras?

A. None whatsoever.

Q No discussion of Nicaragua at all?

A. I don't recall any, other than there may have been discussion -- I am only speculating -- of Nicaragua as the source of the insurgency. But I don't recall any.

Q Any discussion of how the contras were doing?

A. I don't recall any.

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Q Any discussion of --

A. In fact, I think I can be more emphatic than that. I'm almost positive there was none. Felix was very wrapped up in this meeting in the helicopter operations and showing the Vice President that he was really down there with his helicopters, really fighting in El Salvador.

Q And nobody asked how the fight in El Salvador was affecting the fight in Nicaragua or vice versa?

A. I don't recall it.

Q Aren't those two subjects that are related?

A. I just don't recall whether there was or not. But I don't think there was. Felix was leading this discussion very heavily with his picture album. You may have seen it.

Q But the Vice President I assume asked questions during this?

A. I don't remember whether the Vice President asked questions. On something like this, usually the VP's mode is to listen to what someone has to tell him.

Q Is it your testimony that at this meeting on May 1 there was no discussion about the contras?

A. To the best of my recollection.

Q Understood.

Now, let's mark as Watson Exhibit 3 this group of documents.

(The documents referred to

were marked Watson Exhibit No. 3 for identification.)

Q Watson Exhibit 3 for the record are three pages, consisting of an April 30, 1986, briefing memorandum for the President; then an April 28th, 1986, form memorandum to Mr. Gregg from Debbie Hutton, subject approved Vice Presidential activity. The third page is an April 16, 1986, schedule proposal.

I take it you have seen these documents before today, Colonel Watson?

A. I have seen them before.

Q When for the first time?

A. Somewhere on or about May 1st of last year, when the meeting came up, and then again yesterday, and some time like December or January of this past year.

Q December '86 or January '87?

A. December '86, January '87, we were asked to search for documents.

Q Now, is the meeting to which these documents refer, looking specifically at the briefing memoranda, the same May 1, 1986, meeting with Felix Rodriguez that you and I have just discussed?

A. Yes, it is.

Q And of the three documents that comprise Watson Exhibit 3, which of them, if not all of them, do you

UNCLASSIFIED
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recall seeing around May 1, 1986?

A. I recall seeing the briefing memo. I believe my secretary probably gave me a copy in preparation for the meeting.

Q. What about the schedule proposal, which is the last page of the exhibit?

A. I do not recall seeing the schedule proposal.

Q. Now --

A. Which is not unusual.

Q. Let's go to the briefing memorandum first, which is the one you saw. Did you see it prior to the May 1 meeting shortly before?

A. Probably shortly before.

Q. Did you read it?

A. Glanced at it.

Q. Did you --

A. There's nothing there.

Q. Did you notice what the purpose of the meeting was listed to be?

A. Yes.

Q. And that included resupply of the contras?

A. Yes.

Q. Did you ask anyone about that at the time?

A. No, I didn't.

Q. Did you know where that purpose had come from,

UNCLASSIFIED

who had supplied that information?

A. No, I don't.

Q. Take a look at the schedule proposal, the last page of the document, but the first in time, dated April 16, 1986. When is the first time that you saw that document?

A. I don't know if I have seen the schedule proposal before. We do so many of these things, come and go.

Q. How are schedule proposals prepared in your office?

corrected per deponent

A. If State Department or, say, the Defense Department is suggesting a ~~memorandum,~~ meeting they will send a memorandum over listing, sometimes in great detail, why they think the meeting, if that's the case. I or one of the other officers in the previous time used to take them and rework them, and our secretaries would prepare the schedule proposal, and they would go in.

At some point last year, I don't remember when, Phyllis Byrne started preparing the schedule proposals based on the State or Defense Department requests.

Another, second way a meeting could be established or requested and the proposal made is for somebody to write or telephone directly to our office, and that's not unusual at all. And we would take the information off of the phone or out of a letter and prepare a schedule

UNCLASSIFIED

UNCLASSIFIED

proposal.

To anticipate your question, I don't know whether Felix wrote, called, or what to set this meeting up.

Q. Did you -- have you supplied information for schedule proposals from time to time?

A. From time to time.

Q. Do you know how this schedule proposal was prepared?

A. No, I don't.

Q. Do you recall telling Phyllis Byrne or providing Phyllis Byrne with the information that appears next to the word "purpose" on the April 16, 1986, schedule proposal?

A. No, I don't. What I do recall -- and my memory is very fuzzy because, as I said, we sometimes -- so many of these things are coming and going, and we are always asking for meetings.

I don't recall whether it was in preparation for the April 16th schedule proposal or in preparation of briefing memo, I remember --

Q. The April 30, 1986?

A. Yes, I'm sorry.

I recall at one time Phyllis turning from her desk, because her desk is as close as you and I are, three or four feet apart, and she is outside the door of my office, and she said: How do we describe Felix? And we settled on the words "a counterinsurgency expert visiting from El Salvador."

UNCLASSIFIED

Q Do you recall telling Phyllis Byrne that a purpose of the meeting requested by Rodriguez was to discuss resupply of the contras?

A. No, I do not.

Q Would it affect your recollection if I told you that Phyllis Byrne recalls that it was you who gave her the essence and substance of what appears as the purpose of the meeting on the schedule proposal, namely to brief the Vice President on the status of the war in El Salvador and resupply of the contras?

If I tell you again that Ms. Byrne recalls that it was you who told her that what I just read in effect was the purpose of the meeting, would that change your recollection in any way?

A. That would not change my recollection.

Q Your view is that Phyllis is wrong?

A. I can't say she's wrong. I can't say she's wrong. I can't say she's right.

Q She recalls that it was you who told her.

A. Well, she can, but I do not recall giving those words.

Q Let me tell you where we are with this, Colonel Watson. Mr. Gregg says he didn't write it. You say you didn't give it to Phyllis Byrne. She recalls that you did give it to Phyllis Byrne, that you did give it to her.

Do you have any explanation for where this language came from?

A. The only explanation is that the Congress and the President and everybody was in the midst of a request for a vote, a request for an appropriation of funds, and the whole subject of continued or resumed military assistance for the United Nicaraguan Opposition was something that was being much discussed.

There were meetings going on constantly during that spring involving different members of the Administration to advocate the President's policy of supplying, providing supplies to the Nicaraguans that were seeking freedom. And it was not an unusual issue.

The specific words "resupply of the contras" could have devolved or evolved from that general atmospheric. But as for the specific, no, I still do not know where that came from.

Q. Is Phyllis Byrne a reliable secretary?

A. Yes, she is.

Q. You have a high regard for her skills?

A. Yes.

Q. She does not, though, create or initiate information that goes into schedule proposals as far as you know, right?

A. No, quite the contrary, she does.

Q. She makes up, she specifies what the purpose is?

A. She either takes the State Department or Defense Department memoranda and extracts from it. If she talks to somebody on the phone, she takes the information from the phone, digests the information, evolves it, puts it together.

Q. I understand that. But she is not the one who decides what the purpose of the meeting is? She gets that information from somebody else?

A. Not necessarily.

Q. She decides what the purpose of the meeting is with the Vice President?

A. If the State Department says, this is why we want to have a meeting, she may take the paragraph -- they may write a paragraph -- and she will boil it down to a sentence as to the purpose of the meeting.

Q. But she gets it right, correct? If they say the purpose of the meeting is to discuss China, she doesn't say the purpose of the meeting is to discuss Africa?

A. Obviously not.

Q. So the information as to what the purpose of the meeting is comes to her. Phyllis Byrne has not achieved a unique position in the government where she decides what the purpose of meetings is with the Vice President, right?

UNCLASSIFIED

A. No.

Q. So presumably --

A. But I think you're putting more formality and more specificity on a schedule proposal than -- you have to understand the process. It's not that precise that, if you put down the purpose of the meeting is this, that either other things can't be discussed or that that will be the actual totality of the meeting when it comes about.

Q. I understand that. But I assume that these forms, the schedule proposal and the briefing memorandum, are completed for a purpose, right?

A. Correct.

Q. It's not just a make-work exercise to send forms around. You are going to look at the briefing memo, correct?

A. That's correct.

Q. The Vice President's going to look at it?

A. Yes.

Q. So there's a purpose to doing it, and that means there's a purpose to doing it accurately, correct?

A. That's correct. At the same time, you have to realize that there are meetings which occur in my area and in the areas of the other officers in the office which Phyllis does the schedule proposal and we don't ever see them, where Don will tell her to setup a meeting or she will prepare it on her own initiative and give it to Don.

UNCLASSIFIED

Q I hear you. But when you said before that the general atmosphere at the time was one in which there was attention being paid to the contras and to the prospect of getting renewed assistance from the Congress and so forth, I am trying to understand how that testimony relates to my question of where Ms. Byrne would have gotten the information from as to the purpose of this meeting?

A. I can't tell you where she got it.

Q Were you suggesting that she made it up based on the general atmosphere in Washington at the time?

A. I wouldn't want to suggest that maybe she did anything. I can't read her motives or her intentions or her role in preparing this schedule. I can't do that. But what I can tell you is that I am fairly certain that I did not provide those words.

Q Because if you didn't provide it and if Mr. Gregg didn't provide it, and if she didn't come up with it on her own, and if Felix Rodriquez didn't provide it, then this was ghostwritten literally, because there's nobody who provided it.

Would you think that there would have been something wrong with discussing resupply of the contras with the Vice President in May of 1986?

A. I would not have phrased it "resupply of the contras." I would have phrased it -- I would have phrased it

UNCLASSIFIED

"the need for legislative effort" or "to discuss the situation to provide background for support of the President's budget request for military aid to the Congress."

Q What does "resupply of the contras" mean?

A To me, "resupply" is a very specific technical thing, which means kicking bundles out of airplanes.

Q And you came to learn as of some point, I guess as of August 1986, that Felix Rodriquez was involved in resupply of the contras, right?

A That's correct. Well, that he had something to do with access to the airplanes on the ground and refueling them and that sort of thing.

Q Facilitating?

A I don't know if he was the person who got on the airplane and did that.

Q I understand. But that he was involved in facilitating?

A Facilitating. That's a good word.

Q And that you came to understand in August 1986, right?

A That's correct -- now wait a minute. August 1986, we didn't learn that he was involved in it. We learned that he had a lot of information about the people that were doing it -- Secord, Clines, and those folks -- not that he himself was involved.

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Q When did you learn that he himself was involved, "he" being Felix Rodriguez?

A Well, the first allegation was when Eugene Hasenfus was shot down in October, or his airplane was, and the Sandinistas paraded Hasenfus out. It was the first allegation.

Then at some time later, maybe October, November, December, as the information began to roll out which you are investigating, Felix Rodriguez's role became more known. And I understand he came to Don and confessed that he had been much more heavily involved.

Q When?

A I think it was December '86. I was not a party to it and Don has only told me that later.

Q Understood. Let me go back one more time, then, to Watson Exhibit 3. It is your testimony that you are not the source of the language that resupply of the contras was a purpose of the meeting between Felix and the Vice President, correct?

A That is my testimony, to the extent that all humans are both fallible and wish they were infallible.

Q All humans except Senate staffers are fallible. But to the extent of human fallibility?

A To the extent of my --

Q You have probed your recollection, correct?

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A. Yes, sir.

Q. And you are not the source of the information that appears as the purpose of the meeting between Mr. Rodriguez and the Vice President set for May 1, 1986; that's correct?

A. No, no. When I said earlier --

Q. Tell me what it is?

A. At some point, and I believe it was either the schedule proposal or the briefing memo, Phyllis said: How do we describe Felix Rodriguez?

Q. And you said counterinsurgency?

A. Counterinsurgency expert visiting from El Salvador.

The question I think you're asking is where did the phrase resupply of the contras come from. That I testified that I do not know.

Q. What about the phrase "briefing on the status of the war in El Salvador"? Where did that come from?

A. I don't know, but that would be a normal thing you would expect with a meeting with Felix.

Q. But you don't know where that came from, any more than you know where the resupply of the contras purpose came from?

A. That's correct.

Q. Have you discussed these documents, the briefing memo and/or the scheduling proposal, with Mr. Gregg before

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today?

A. We discussed it briefly when we discovered the document in our files back in, whenever it was, December or January, whenever. I think it was in response to the Congressman Hamilton request in January.

Q. Of 1987?

A. Of 1987.

We looked at it, and Don's question was: Where did "resupply of the contras" come from?

Q. And what did you say?

A. I said "beats me" or words to that effect.

Q. And what did he say?

A. He said "Oh" or words to that effect, "beats me," I don't know.

Q. That was the substance of the discussion?

A. I think so. I don't think we had an extended discussion on it.

Q. Have you learned from that day to this where the words "resupply of the contras" came from in these documents, this document that went to the Vice President?

A. No, I have not.

MR. LEON: Before you move on, could I ask a few questions?

MR. BELNICK: Sure.

BY MR. LEON:

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Q. At the risk of beating a dead horse, did Phyllis tell you that she had spoken with Felix before she typed up the schedule proposal? Do you remember?

A. No, not that I recall.

Q. Do you recall her telling you that he had called and asked to get an appointment with the Vice President?

A. He may have. He may have, and she may have told -- remember, Felix calls a lot.

Q. Well, certainly, since the time that this was written up, we now know today that he was involved in resupply of the contras. And like you say, this is a very specific phrase. This is the kind of phrase that he would use, "resupply of the contras"?

A. Felix would use a phrase like that, because Felix was not a global strategist; he was a technician, in a sense a very smart fellow, but he saw a very -- he is a very precise fellow in what he wants to do and what he wants done.

So Felix -- and again, it's unfair for me to attribute to someone else what they may have thought or what they may have said. But my knowledge of Felix, what I have known of him over a year and a half, is that he focuses. He is a very compulsive person. He focuses on what he wants to get done and he drives towards that and excludes extraneous matters.

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Q What I'm getting at is, when he called to ask for an appointment to see the Vice President he might have used the phrase "resupply to the contras" when he spoke with her?

A. I don't know.

Q And let me ask you --

A. It's conceivable, because Felix is a precise person.

MR. BELNICK: Except that you just testified that he didn't.

THE WITNESS: I testified that I didn't know.

MR. BELNICK: I'm saying Phyllis Byrne.

BY MR. LEON: (Resuming)

Q As far as she recalls.

Now, turning to the first page of Exhibit 3, the briefing memo, you just testified a minute ago you met with Felix before you went in to see the Vice President?

A. That's correct.

Q And you were chatting with him, I guess, in general about the El Salvador situation?

A. Correct.

Q Now, at that point, before you went in with him to see the Vice President, would you have had a copy of the briefing memo with you?

A. Possibly. Realize that a briefing memo for someone like me for a meeting, I rarely carried the briefing memo to the meeting. And if I have done a briefing memo, once I have done it I probably leave it on my desk or in my safe. I don't necessarily take it to the meeting, because it's of no value at the meeting.

It's not something I will haul out and be paging through at a meeting. It's not good form.

Q What I'm trying to help you recollect, if possible, is whether or not when you were meeting with Felix before you went in to see the Vice President, do you recall looking at the briefing memo, noticing this phrase, and then -- "resupply of the contras" -- and then, you know, making that fact?

A. That's a good and fair question. No, I don't recall reviewing the briefing memo with him.

Q And you don't recall meeting with Don Gregg or the Vice President before Felix met with him and then reviewing the memo also?

A. No.

Q And noticing that phrase?

A. No. We almost, almost, almost never meet with the Vice President ahead of time, unless it's a very complicated meeting and there are very good reasons to pre-brief him. We almost never sit down with him to review what the meeting is going to be about.

He is smart enough to read the memo or to read the cards.

Q And you have no recollection or knowledge, do you,

UNCLASSIFIED

of the Vice President asking you, either you or Don Gregg, about this reference to resupply of the contras before the meeting?

A. No, I do not. But can I make a point, though? The Vice President gets four by six cards, which every senior government official gets briefings by his staff, and he relies on those cards more than he does, quite honestly, the briefing memo.

Q. Did he get a card for this particular meeting?

A. One is not listed. If there was a four by six card, it would be listed here as an attachment.

But he relies on the cards, and he pulls them out of his pocket if he needs to review the issues.

Q. Let me make sure I have this clear. Are you telling us that he doesn't get this specific page, this document, Exhibit 1, page 1?

A. No, I'm not telling you that. I'm telling you that he gets the briefing memo and its attachments. But my experience is that he relies almost solely on what's on the four by six cards and rarely on what's really in the briefing memo.

Q. And you have no way of knowing whether he ever got a four by six card as to this?

A. I have no way of knowing that. But my inclination is to say that he didn't, because it's not listed.

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MR. BELNICK: On Exhibit 3.

MR. LEON: Page 1 of Exhibit 3.

BY MR. BELNICK: (Resuming)

Q Could we go back to Exhibit 1. I notice this again is your list of contacts with Felix. In May of 1986 you have another phone call with him about helicopters, right?

A That's correct.

Q And certain operations, correct?

A Yes.

Q Then there is a phone call from Felix on July 29, 1986?

A Correct.

Q What do you recall about that phone call?

A Not much.

MR. BELNICK: Let's mark this document as Watson Exhibit 4.

THE WITNESS: Unless you have a memory aid.

(The document referred to was marked Watson Exhibit No. 4 for identification.)

BY MR. BELNICK: (Resuming)

Q I may, but first I want you to tell me what you recall without my memory aid.

A Somewhere in my notes, in my notebook or whatever, I have a comment that Felix called me on July 29th.

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Q. Here is Watson Exhibit 4.

A. If he did, then I took some notes.

Q. Is Watson Exhibit 4 your notes?

A. Watson Exhibit 4 are notes from a spiral-bound notebook which I maintained during parts of 1986, at least the first four or five pages, and then there are a lot of other things attached.

Q. The notes go through the fifth page, which has our Bates number N-46663.

A. Correct.

Q. And after that, other things.

A. After that other things.

Q. Let me just for the record state that the whole of Watson Exhibit 4 consists of pages numbered N-46659 through 673. And Colonel Watson just identified pages 46659 through 63 as consisting of notes that he made.

And I take it those notes were contemporaneous with the events that are recorded, correct?

A. I don't know whether I took them as Felix was talking or whether I jotted them down afterwards.

Q. The first page of Watson Exhibit 4, page N-46659, has a listing for Tuesday, 7/29. I take it that's July 29, 1986?

A. That's correct.

Q. "ODSM," what did that refer to?

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A. That means that on Tuesday, July 29th, 1986, I went to the ODSM, which is the National Security Council staff meeting at 7:30 in the morning, Monday, Tuesday, Thursday, and Friday. And I believe it stands for "Office Director Staff Meeting."

Q. That's --

A. In the Situation Room.

Q. And that's with the President's National Security Advisor?

A. It is chaired by whomever -- at that point it would have been chaired by Poindexter or whoever his deputy was.

Q. The note under "ODSM," if I read it correctly, says "Max shut down pilots' resupply"?

A. Correct.

Q. Did you take that note at the meeting?

A. No, I wrote it down afterwards.

Q. What does it mean?

A. It probably means that at that meeting Ollie North or someone like that made a comment to me personally and privately that Max shut down a resupply, shut down the pilots, stopped the pilots from conducting the resupply.

Q. A resupply of whom?

A. I presumed he meant the contras.

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Q What specifically do you recall that North, if it was North, told you about what Felix had done in that regard?

A As I recollect the meeting, I came to the ODSM -- I was not a normal participant. Don, I believe, Gregg was out of the country. I sat down in an empty seat which happened to be next to Ollie North, and at some point either during the meeting or after the meeting he whispered to me. He said, without using foul language here, but words to the effect that Max had shut down the resupply of the pilots.

And I said: What are you talking about, Ollie? Tell me more? And he brushed me off and said: Don't bother me; it's none of your business. And that was it.

Q First he told you and then when you asked him what he meant he told you it was none of your business?

A He told me it was none of my business, don't get involved.

Q But this was after he initiated the conversation?

A After he initiated it. And I think you will find another note somewhere, maybe not here, that on the next day and several days later either Craig Coy or Bob Earl, one of the other or Ollie, made these same types of comments.

Q You made a note of Ollie's comment. Did you pass it on to anybody?

A. I did not. I don't recall passing it on. Don and the Vice President were out of the country.

Q. Did you understand from what Ollie North told you that Max had some connection with contra resupply?

A. I took that to mean that Max Gomez had some connection with it. That's why I asked him, tell me more, because it surprised me. It shocked me.

Q. And this was something, then, that you intended to pursue with Don Gregg when he got back?

A. I don't know if I had that specific thought at that time of pursuing it with Don. Usually when he gets back from a trip, we will sit down and talk about things that occurred.

Q. How would you decide what things to make note of in your notebook?

A. Something that I thought was important or unusual, that I needed a memory aid on.

Q. Let's turn to the next page of this Exhibit 4, N-46660. It says at the top "Felix," and then there are notes.

Are those notes of your telephone conversation with Felix on July 29th?

A. Without knowing whether these are pages, page by page in the exact sequence that are in my notebook, I cannot say that. But I would presume it is because July 29th --

and the next one is July 30th. So I would assume that it is.

Q I will tell you, this is the sequence in which the notes were produced to us.

A And I don't recall how I Xeroxed them, but I would presume that this is the phone conversation of July 29th.

Q Why don't you go through the notes and tell us what you recall that Felix discussed with you on July 29, 1986?

A First, I don't recall who initiated the phone call. Apparently it means that Congress has been notified that Congressman Obey, who had put a hold on a number of helicopters going to El Salvador of the type of helicopters Rodriguez wanted for his operation -- apparently the notification had been made and was then working its way through the Congressional waiting period process.

Felix probably asked me: What about the repair of my helicopters? And I said "Repair, nothing yet" in quotes means that I've heard nothing yet or got nothing yet.

The next, "Visit to other side." Felix must have said he made a visit to the other side, which I took to mean [redacted] And he was making visits to [redacted] He was in El Salvador, making visits all around, talking to military chiefs of staff or senior people about coordinating their thinking, trying to get to know people.

The next one, "To Washington 8/11/86," must mean that on August 11th he knew that Ed Corr and General Galvin were coming to Washington.

"CANF" I suspect is Cuban-American National -- is Cuban-American National Foundation. They are helping to give aid to El Salvador. It says "mid-August." [redacted]

Q We can pass that.

"Coordination," does this have something to do with [redacted]?

A. Well, [redacted] and I suspect that means that he is coming to [redacted] on Wednesday.

Q Reference to a Lieutenant Colonel Rankin?

A. Lieutenant Colonel David H. Rankin, with a serial number. He was an Air Force Lieutenant Colonel in the United States MIL group in El Salvador, military group. He worked with Colonel James Steel, and Felix was saying: You've got to figure out how to get him promoted. So I took his serial number down.

Q I'll give you a few names after we're finished.

"Resupply," what does that say? "Resupply, yes, problem, waiting for new."

A. "Waiting for new helicopters"?

Q. I don't know. You tell me.

First of all, resupply of whom?

A. I don't know. I don't know what that means. That doesn't trigger anything.

Q. Is that a term that you associate with El Salvador, resupply?

A. I could associate it easily with the helicopters.

Q. What is the reference under "resupply," 27-19-96 A base," and then "home," and then "Jim Steel, 11-15 August"?

A. Well, the Jim Steel part is he will be here 11-15 August, as will Ed Corr and Steel's boss, Galvin.

Q. What about 27-19-96 A base?

A. It's a mystery.

Q. You don't know what it means?

A. It doesn't ring any bells whatsoever.

Q. When you spoke to Felix on the 29th, did you question him about what Colonel North told you earlier that morning, namely that he Felix had shut down the pilots who were resupplying the contras?

A. I don't think so. I'm just looking at the 27-19-96 A base and home. I don't know if that means that Felix was flying home. I don't know.

Q. Did you ask Felix about the cryptic statement that North had made to you that morning?

A. No, I did not.

Q. Did you decide not to ask Felix that?

A. I believe I decided not to ask him that, because it was Ollie North mentioned it very briefly in a teasing, almost a teasing manner. Ollie was always known to be a very secretive type of person. He wanted people to think he was doing things very special, and I took it to be part of that.

But I also took the information on board, not just that he was playing a game of being important and secretive, but also here was some information that was interesting. But I'm not in the habit of taking one little bit of information like that, an accusation like that, and repeating it back to the person and saying: You've been accused of, without trying to get more information.

Q. Have you now given us everything you recall about the July 29th telephone conversation with Felix?

A. Yes, I have.

Q. Please turn to the next page of your notes, N-46661, Wednesday, July 30, 1986. And then under that it says "Thursday, 7/31 - Bob Earl - Max - problems." Tell us what that entry means?

A. That means that, to me now, and I believe I made some other notes, that Bob Earl, probably at an OESM, had done the same thing Ollie had, had leaned over and said: Max is really giving us problems. And my response was: Bob, what are you talking about? What do you mean? And it was either at the meeting or I called him later and said: Bob, what's going on?

And he refused to tell me anything further.

Bob Earl, at some point in one of these meetings -- I don't remember whether it was the August 12th meeting or what -- but Earl made a comment to the effect, a sarcastic comment: Well, Max is your friend and your problem.

Q. I must tell you, these are bizarre conversations. People start talking to you and then when you ask them a question then don't answer?

A. Do you know Ollie North?

Q. No.

A. Have you talked to him?

Q. There's a certain Constitution standing between me and him for another day or so.

A. Have you talked to Bob Earl?

Q. Yes.

A. Okay.

Q. But they answer me.

A. Well, you're in a different position.

Q. Maybe so. But what I'm trying to understand is

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the nature of these routines. Either North or Earl say something to you, we have problems. And then you say, okay, what are the problems, and then they decline to answer?

A. That's right. That bothers me, too, and it ticked me off.

Q. Did you tell him: Don't tell me you've got problems unless you're going to tell me what the problems are when I answer?

A. I may have said something.

Q. Why the teasing?

I don't mean to be facetious. You are all professionals. You're working in matters of greatest sensitivity, correct?

A. Correct.

Q. These are national security matters, correct?

A. Yes.

Q. Two members of the National Security staff, Council staff, are telling the Vice President's deputy that they've got some kind of problem with a man that the Vice President's office sent down to El Salvador, correct?

A. That's right.

Q. And then when you ask what the problem is they say it's none of your business?

A. That's right.

Q. Well, didn't you think you ought to go to Don

UNCLASSIFIED

Gregg about that and say, something's got to be done about Earl and North?

A. Don was not in country.

Q. Well, he was coming back.

A. He was coming back at some point.

Q. And I take it you had had experiences like this, from the way you're talking now, with North and Early prior to July 30th or July 29, 1986, correct?

A. With Bob Earl when he was part of the counterterrorism task force. He was very snippy about things.

Q. Well, after the Vice President's task force, when he now appeared as a member of North's unit, you had had experiences with North and Earl, I take it, which was not dissimilar from what was going on in July?

A. Well, the experience was more observing them at ODSM's or whatever, when they would be very close hold and keep the information to themselves. But I don't remember whether I discussed these specifically with Don when he got back.

But recall that the August 8th meeting occurred a week later, where we had a chance to air all these problems with Felix Rodriguez.

Q. At this stage, though, as of July 31, you now had received two cryptic communications, one from North and one from Earl, that there were some kind of problems involving

Felix?

A. That's correct.

Q. And that the problems were relating to the contras, correct?

A. Correct. And if you go on to Friday, August 1st, you will see another comment to that effect.

Q. We are going there right now. Friday, August 1, on the same page, N-46661, this was a comment to you by Ollie North?

A. That's correct.

Q. And it says: "F screwed up S front."

A. Felix screwed up southern front.

Q. What did you understand the reference to the southern front to be?

A. That Felix had done something -- and I pieced it back together to the July 29th -- that Felix had done something about resupplying the southern front that Ollie North didn't like.

Q. The southern front against the Sandinistas?

A. Against the Sandinistas. [redacted]

Q. And that Rodriguez, North is telling you, did something to screw up that southern front military operation against the Sandinistas, correct?

A. That's what I understood him to mean.

Q. Now, the note continues. I guess there are ditto marks, meaning Felix screwed something else up, right?

A. It means that Felix screwed up by taking the mayor of Miami to [redacted]

Q. And then it says "et cetera."

A. I think he said, and bringing [redacted] down, and that he shouldn't have done that, that it was too much visibility.

Q. From looking at these notes of yours on Friday, 8/1/86, now tell me in one series of statements what you recall North telling you at that time?

A. What I believe they were telling me on July 29th, July 30th, July 31st, August 1st, was that Felix Rodriguez was involved in some kind of resupply operation out of -- in Central America to resupply the contras; that they didn't like his involvement and that he was doing things with which they didn't agree.

That they were telling me that because as a member of the Vice President's staff we had a special relationship with Rodriguez. They knew that we could point him, so to speak. I think they presumed we had more authority over Felix than we did; and that they were telling us there were problems with Felix, but they didn't pursue them.

I believe at some point that I even went up to

UNCLASSIFIED

Bob Earl's office and sat down and said, what's going on, I just got the real brushoff.

Q I believe you testified that you were surprised, stunned, to learn that Felix was involved in some way with contra resupply at that time?

A Surprised, yes. Stunned -- surprised.

Q Before I go on to that, let me ask you to turn to the next page, N-46662. There are notes there. Can you tell me what those are notes of?

A They appear to be my notes of the August 12th meeting.

Q So they are out of sync?

A They appear to be the August 12th.

Q If you look at the next page, we're going to hit the August 8th meeting. Okay, we will get to those in a moment.

Let's go back, though, to where things stood as of August 1. You were surprised at what you had heard. Was Don Gregg back in the country by then?

A I don't recall when he got back. Can you tell me?

Q I don't know. I know that you had the meeting with him on August 8th. I don't have his calendars here.

A Let's see. August 8th? I think August 8th was on a Friday.

Q Some time between the 1st and the 8th he returned?

UNCLASSIFIED

A. I have a sense that it was August 5th, 1986.

Q. Approximate is good enough.

A. That's about right.

Q. When Don came back, when Don Gregg returned on or about August 5, 1986, did you tell him what you had heard about Felix?

A. I don't know with specificity. I suspect I did, because I believe that, as a loyal deputy, that I tell my boss everything that I am involved in and what I am doing. I have no record that I did tell him, but I have nothing to the negative.

And my general way of doing things is to tell my boss what I'm doing and keep him informed.

Q. Well, particularly here, you were dealing with somebody who had, as you say, a special relationship with the Vice President's office, right?

A. Correct.

Q. About whom you had received surprising information from North and Earl, correct?

A. Correct.

Q. And so it's likely that you would have, of all things, reported that information to Gregg, who had his own special relationship with Rodriquez, right?

A. It's probable that I did, but I could not testify that I did. I could not affirmatively testify that I did, nor could I negatively testify that I did not. But it is my pattern to do that sort of thing.

Q But what you are telling me, I guess, is that you don't recall whether you did or you didn't?

A That's right.

Q You have no recollection of a conversation?

A I have no recollection of a conversation.

MR. LEON: Before you go to August 8th, can I ask a question?

MR. BELNICK: Yes.

BY MR. LEON: (Resuming)

Q Colonel, I don't know if you're following any of the testimony today, Felix Rodriguez's in particular.

A I am.

Q You have? Okay. You might recall Felix testified that on June 25th he met with Colonel North in Colonel North's office. When that meeting was over, he pulled North aside and expressed concern one on one with North with regard to problems down in the resupply effort.

He was with Bob Dutton at that time, and it was during that meeting, before he pulled North aside, that North had chastized him with regard to his conduct down there, and North was concerned about it.

After that, speaking to North, he testified that he and Dutton went down to the Vice President's office, that

Donald Gregg was not present, but that he met with you for a very short time.

A. I listened and watched that testimony.

Q. Do you have any recollection of meeting with Felix Rodriguez on June 25th, 1986?

A. Yes, I did. I met with Felix Rodriguez on June 25th. I would make a correction, though, based on what you said and what Dutton and others said. He did not visit the Vice President's office. It's a rather large complex of offices.

He came to my office, Room 298, which is not the Vice President's office. Technical point.

Q. I notice it's not on your chronology.

A. It is not on Watson 1. It was a mistake and an error. When we discovered it was not, we put out a press release May 15th, something like that, of this year making that correction.

Q. I just want to make sure the record is clear on that. And what is your recollection about that conversation on that occasion with Felix?

A. First, I don't recall that it was a scheduled meeting that was on my schedule. I think it was put on at the last minute or telephoned in or something like that. I don't know how the meeting came up.

I recall that Felix came down and wanted to say hello. He was in the building, wanted to pick up some photographs from Natalie Wozniak, one of the secretaries, of either the May 1st or May 20th meeting, something like that.

And he wanted to tell me he was here, the standard stuff: What can you do for me?

Q Was it one on one?

A Yes, my meeting with Felix was one on one. I think it was in my office. It may have been in Don's. I may have used Don's office for the meeting. I don't recall.

I remember that either at some point before, during, or after the meeting -- meeting Bob Dutton, Robert Dutton, whom I had never met before and never seen or heard of before.

Q Was he introduced as Colonel Dutton?

A No, not that I recall. And I remember that Felix and I were talking. I remember meeting this fellow when I was standing in the doorway. I think Felix introduced him as one of his assistants.

But I have since heard that Ollie North says that Ollie or Dutton say that he introduced him to me. I don't recall whether it was North or not.

Q Did Felix mention during that conversation on that day anything about resupply?

A. Nothing whatsoever. Not that, nor did he mention that he was having any problems in El Salvador other than dealing with the helicopters.

Q. Did he mention the fact that he had just come from a meeting with Colonel North?

A. I don't believe he did.

Q. And did you talk to Colonel North subsequent to that meeting with Felix on June 25th about what happened during the meeting?

A. Well, I didn't know they had a meeting.

Q. Okay. Well, did Colonel North bring it to your attention?

A. He did not bring to my attention that he and Felix met on June 25th. Thus I was not able.

Q. Fine, thank you.

BY MR. BELNICK: (Resuming)

Q. Let's go to the August 8th meeting and your notes pertaining to that meeting appear two pages in from where you are, N-46663.

It was a Friday, and your notes indicate the meeting started about 9:30 in the morning, right?

A. Yes.

Q. And present were you, Don Gregg, and Felix Rodriguez?

A. That's correct.

Q. Tell us what you recall and everything you recall about that meeting on August 8th?

A. The meeting was scheduled. Felix came in and said he wanted to talk to us about some problems in Central America, and now that the Congress had authorized military assistance and aid to the freedom fighters, those seeking freedom in Nicaragua, that he wanted to tell us about a group of people that were conducting resupply.

And I recall him saying that he heard about it, knew about that, now that it was authorized, that the CIA or somebody would be setting up a resupply operation to fly resupplies into Nicaragua, to drop them; and that he wanted to tell us that there were a bunch of crooks involved.

He mentioned Edwin [redacted] Wilson as one. Most people know Edwin [redacted] Wilson and the people he ran around with. He mentioned Tom Clines, Richard Secord, and he said that these people are running such a corrupt, shoddy, unsafe operation down there, the U.S. Government should not get involved with them; and that if these people approached the United States Government wanting to sell their resupply operation to the government, that they should be turned down.

He didn't feel that they were of the professional or moral character to be associated with the U.S. Government and anything that we were now authorized to do via the Congress and the President's signature.

He raised several specific problems that I alluded to a moment ago. One is that they were the wrong crowd of people: Secord, who left government under quite a shadow in I believe 1984, allegations of profiteering or money under the table; Clines, who had a reputation as a bad apple out of CIA; and ~~Edward~~ Edwin Wilson, who had supplied the Libyans with plastic explosives.

So he indicated first that this was a bad group of people. Secondly, he said this group of people was profiteering, that they were buying and selling arms, weapons, military supplies, to give to the contras whether they were buying them for them or on their behalf, or however he phrased it, and that they were buying this stuff at low prices and charging the contras high prices.

And he called it: Here are these freedom fighters in Nicaragua who are trying to regain their democracy, democracy that I as a Cuban lost in Cuba, and these people are profiteering on it while people are giving their blood and their lives. These people are making immoral profits.

He cited an example of a hand grenade, three dollars purchase, nine dollars sale price to the contras.

Thirdly, he mentioned the quality of the aircraft, that the aircraft were unsafe, they were poorly maintained; and that he feared that they would either get lost or crash, losing a life.

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The people, the profit, the quality of the aircraft, and I think there was one other major subject, or there was another subject that I think I raised with him, fourthly, that he had been accused by Ollie and company of having stolen some C-123's and moved them from Miami to [redacted] And I asked him about that.

And Felix explained that these had been donations to the FDN, to UNO, and as donations [redacted] felt that they were donations and that they would stay there and not leave; that Secord and company had no right to take them away.

That was the essence of the conversation.

Q. What about the accusation that he had stolen or skyjacked one of these planes?

A. Well, that's the last one I just mentioned, that Felix rebutted that by saying, no, these were donations to the contra cause and he saw them as donations [redacted] saw them as donations, and that Ollie North and General Secord had no right to take them and take them away and then resell them to the United States Government.

The implication -- I don't know if he used the specific words, but his implication was that Secord and

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company were trying to sell them to the CIA, but they were donations.

Q Did he tell you how he happened to be involved with planes donated to the contras, he Felix?

A I don't think he told specifically, [redacted] Felix went back and forth to Miami a lot [redacted] [redacted] and I believe he said that at one point he flew -- he brought one of the planes back. It was ready to leave, it was loaded with supplies, and so he brought it back down to Central America.

He didn't consider it skyjacking or air piracy. He considered them the property of the FDN, and it was there ready to come back, so he would bring it back.

Q What did Felix tell you about North's involvement with this group?

A As I recall, he mentioned that -- I didn't take any notes. These were notes I wrote down afterwards. I think he mentioned that Ollie North was involved with these people and Ollie had some kind of directional role. I don't recall him discussing specific technical directive role that Ollie had; that Ollie was more the conceptualizer, the chairman of the board.

Those are my words, not his.

Q That's what you understood from Felix?

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A. That's what I understood, correct.

Q. And did Felix associate North with the effort by Secord and the others to take away from the contras the planes which Felix [redacted] said had been donated to the contras, right?

A. Rather, Felix said that rather vehemently.

Q. And that North was one of those who was trying to take those planes away from the contras, correct? That's what you testified a few moments ago?

A. Yes, generally.

Q. You testified that Felix said that North and Secord had no right to take those planes away from the contras, correct?

A. Yes, I said that.

Q. And that's what you recall Felix communicated to you?

A. North, in the sense that he was chairman of the board; Secord, in that he was the chief operating officer.

Q. Now, do you recall whether Felix told you at the August 8th meeting anything about where the contras were getting money from or where the money was coming from to pay for contra weapons?

A. No. What I recall was that he said that these people are buying the weapons or providing them to the contras. I don't recall him -- he may have said that money was being donated by foreign governments. I think he said they were being donated by [redacted] but I didn't take detailed notes. Don was writing madly.

Q Have you ever seen Don Gregg's notes?

A Yes, I have.

Q Let's look at those notes. When did you see them for the first time?

A I don't know if I saw them after the meeting. I may have. I just don't recall. My most recent recollection was that I probably saw them in December, November or December.

Q Did you look at them in getting ready for today's examination?

A I read them over yesterday, because I had a copy that I made back in December or January. Some time I made myself a copy.

Q You had not been given a copy by Don around August '86?

A No, I don't recall having been given one. If I did, it's lost.

Q Here is -- this is a document that was marked at Don's examination as Gregg Exhibit 2. It's a copy of -- do you recognize it as a copy?

A I recognize it as Don's notes.

Q Which you looked at yesterday?

A. Yes.

Q. And there of course is a reference in those to the August 8, 1986, session with Felix, to Felix saying -- and you will see it in what looks like the first paragraph or so, the second paragraph actually -- Felix saying that Clines, C-l-i-n-e-s, "was getting money from [redacted]" correct?

A. That's correct.

Q. Does that square with your recollection?

A. Let me find it in the document. Point it out, Don's writing -- getting dollars from [redacted] okay.

Q. Do you remember Felix saying something like that at the meeting?

A. I think he did.

Q. Look up the page a little. These are Don's notes again. We are looking at Gregg Exhibit 2. There is discussion that "Green equals Rafael Quintero," correct?

A. Correct.

Q. Then if we go a couple of lines down from there, the fourth line down, let me read what Don has written: "A swap of weapons for dollars was arranged to get aid for contras." Do you see that there?

A. I see it and that's what it says.

Q. What does it mean?

A. To me what it means, and reading it here, but also recalling the discussion at the August 8th meeting, was that Felix was talking about it in the sense that somebody is giving money to provide, to support the contras, their military aid; somebody is providing that, a foreign government, [redacted] and that Secord and Clines were going out on the world arms market buying things.

And he cited the hand grenades, buying them and giving them to the contras. It means nothing more than that.

Q. Isn't it another way of saying we're buying weapons, to say a swap of weapons for dollars was arranged?

A. Well, that's what you do. I give you dollars, you give me weapons. That's a swap.

Q. But when you go to the supermarket you don't typically say a swap of oranges for dollars took place at the Giant Food Store, right? You say, I bought some oranges.

You'll agree with me, this is not the usual way to say arms are being purchased, a swap of weapons for dollars, right?

A. You could say it this way if you wanted to. I mean, colloquial English may not.

Q. Is that how you remember Felix saying it?

A. I don't remember Felix using the word "swap."

Q. Don Gregg is fairly easy with the English language, right? I mean, he knows how to --

A. He is facile.

Q. I'm just saying, you would agree with me, I think, that one would not ordinarily write down, we are buying weapons with money supplied by [redacted] to someone else, this way, a swap of weapons for dollars?

A. I might not write that down and you might not. But I can't tell you why or whether Don would. I mean, he did. That's all I can say.

Q. In any event, you don't recall any reference at the meeting on August 8th to moneys from other transactions being sent down to aid the contras, right?

A. No, I do not.

Q. Like something we would nowadays call diversion? There was no discussion of Iran arms sales or anything like that?

A. I recall none whatsoever.

Q. Do you recall any discussion at that meeting -- well, strike that.

Let me -- referring again to the fact that a few lines down it says "Clines is getting dollars from [redacted] and wherever," correct?

A. Correct.

Q. Do you recall any discussion at that meeting in which Felix reported that he had heard from Tom Clines or

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somebody else associated with Clines boasting about their ability to get money from [redacted]?

A. I don't recall any discussion of boasting about --

Q. Well, talking about their ability to get moneys from [redacted]?

A. I recall words to the effect that the contras are getting money from [redacted], but nothing more than that.

Q. Do you recall Felix discussing how [redacted] had been persuaded to give money to the contras?

A. No, I don't.

Q. And what [redacted] were getting in return for giving moneys to the contras?

A. No, I don't.

Q. Do you recall him saying what Clines, reporting what Clines, anything that Clines had said about how [redacted] had been induced to give money to the contras?

A. No, I don't.

Q. Was this the first time you heard that [redacted] were giving money to the contras?

A. No.

Q. You had heard that prior to August 8th?

A. [redacted]

Q. Leaving aside those sources.

A. I had never heard it in my function as a government official or in the context of government meetings.

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It was always outside that, in the newspapers, reading of Congressional inquiries or investigations.

Q. Are you familiar with an NSPG meeting that had taken place on May 16, 1986?

A. Tell me the subject? There are lots of NSPG meetings.

Q. I thought you had them all memorized, just like I do, because I knew about one of them. So now, every one I know about I have memorized.

Had you heard, as of August 1986, that the NSPG had discussed at a meeting in the spring the possibility of soliciting at high levels of our government, by high levels of our government, foreign countries to provide assistance to the contras?

A. I don't think I did.

Q. So this was on August 8th, that was, as you have said, the first occasion when in your capacity as a government official you heard that [redacted] were contributing?

A. That's correct.

Q. And again, you don't recall Felix saying anything about what he had heard concerning how [redacted] had been induced to contribute or compensated in some way for their contribution?

A. I have no recollection. I think I would go

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further than no recollection. I just don't think it was discussed.

Q And you don't recall anything being discussed that would explain Don's reference to a swap of weapons, et cetera, except the statement that foreign countries were supplying money and that money was being used to buy weapons for the contras by this profiteering group, correct?

A That's correct. And I would defend the right of anybody to take notes and use the words as they desire.

Q I certainly would join you in that defense. It's just an unusual way of saying weapons were bought, wouldn't you say?

A Well, I dont know.

Q Unless Don was getting very poetic.

A Well, Don is a learned man. I think he majored in philosophy in college.

Q Maybe that explains it, the ghost-written document and the swap of weapons.

Let's mark this as Watson Exhibit 5.

(The document referred to was marked Watson Exhibit No. 5 for identification.)

Q That is a one page document dated December 17, 1986, entitled "Meeting with Felix Rodriguez on August 8th, 1986," our Bates stamp N-36456.

Did you prepare this document?

A. I did.

Q. Why did you prepare this, this document, about an August meeting in December?

A. Your or other -- maybe not you specifically --

Q. You can't blame me. I was not even a gleam in the Senate's eye in December of 1986. But go on.

A. Whomever, the issue was starting to heat up and people were starting to look into it and ask a lot of questions. We noted that David Hoffman on December 15th and 16th was asking a lot of questions, writing articles. And I thought it would be good for my own memory aid to jot down everything I could remember of the meeting, self-generated for my own use.

Q. Did you look at anything --did you have any notes you were looking at when you prepared this, or was it all from independent recollection?

A. I probably went back to my note, which you entered as an exhibit a couple of minutes ago, about the meeting.

Q. The one which appears at N-46663 on Watson Exhibit 3?

A. That's correct.

Q. We can compare it, but you will agree with me, I think, that your typed notes of the meeting which you prepared in December, Watson Exhibit 5, have a lot more detail than the handwritten notes you took back on August 8th, right?

A. That's correct.

Q. Where did you get this additional detail from when you prepared Watson 5?

A. I believe I did it out of my own mind. I cannot -- I don't know if I had any other sources. I think it was just out of my own recollection.

Q. Did you talk to Don Gregg at all?

A. I don't know.

Q. You don't recall, or do you, looking at Gregg's notes before you prepared this?

A. I just don't know.

Q. There's no reference to Oliver North in Watson Exhibit 5. Can you tell me why not?

A. Probably because I didn't remember it.

Q. Didn't it strike you on August 8th as fairly significant information that Rodriguez was telling you North was involved with this private contra supply network and in effect was the chairman of the board, to use your terms?

A. I thought it significant, but apparently it wasn't in my notes, my handwritten notes. It wasn't in there.

MR. LEON: Let me stop you a minute. These aren't notes, are they? This is after the fact.

THE WITNESS: This is something I wrote hours, within hours after the meeting, the same day.

MR. LEON: This is not during the meeting?

THE WITNESS: Not verbatim notes by any extent.

BY MR. BELNICK: (Resuming)

Q You wrote it within a few hours of the meeting. North's name does not appear on those notes and doesn't appear on Watson Exhibit 5. And I was asking you to account for that.

A I can't explain why it doesn't appear. No special reason.

Q Let's go back --

A You will note, though, that in my August 8th meeting I mention Clines and Secord, and in my December 17th note, your Exhibit 5, it mentions Clines and Secord.

Q Yes, I noticed that.

A And since I don't have North, you know, I didn't transpose one to the other.

Q There's also no reference here to money coming in to the contras from [redacted] But again, is there any reason that that did not appear either on your notes, 46663, or the memo, Exhibit 5?

A No explanation for that. It does talk about them buying hand grenades, about buying stuff, selling it for higher prices, which is the equivalent of buying and selling.

Q Is it at the point, at you said before, that -- strike that.

You said that you saw Don Gregg making what seemed to you to be comprehensive notes and you were not as concerned with the notes that you were going to make of the meeting?

A That's correct, taking notes. Comprehensiveness --

Q He seemed to be taking lots of notes?

A Taking lots of notes, yes.

Q Throughout the time that Felix was speaking?

A Yes.

Q He didn't stop at some point and let Felix go on and just give up taking notes, that you recall?

A There may have been lapses in the conversation or lapses in note-taking. I was not riveted on Don.

Q I understand. But generally, you saw Don taking notes on the discussion?

A Yes, and I relied on that.

Q Did you ask Felix at the meeting on August 8th about the allegations that you had heard from North and Earl a week or so before that he, Felix, was giving problems to the contra resupply operation?

A I asked it in the sense of the stolen aircraft allegation, not in the sense of, are you running an operation or are you involved.

Q Well, on July 29, as your notes reflect, North told you that Felix had shut down the pilots who were resupplying the contras. Did you ask Felix about that claim when you met with Felix on August 8th?

A. I don't think I did specifically, because Felix was telling us all about the aircraft, that they were not good aircraft, and going into long expositions of that. And I felt that that sort of covered it, that he had some kind of involvement or that he knew something about them.

Q Well, you said, understandably, that you were surprised in the week before when you heard from North and then from Earl that Felix was involved with the resupply operation in some way, correct?

A. Yes.

Q Given that surprise, why didn't you ask Felix point blank, are you involved with this resupply operation, or what is the nature of your involvement with the contra resupply operation?

A. First, I didn't know there was a resupply operation. I only had Ollie North's allegation that Felix had shut it down, he had screwed it up; that, whatever the words he and Earl had used.

Q Why didn't you ask Felix point blank about that: Is there a resupply operation? Are you screwing it up? Are you involved with it? What are North and Earl talking about?

A. No good explanation.

Q. Did Gregg ask, or you, at the August 8th meeting, ask any probing questions about North's involvement?

A. I don't think we did.

Q. Did you ask any probing questions about North's relationship with Felix, how it was that they knew each other or what communications they may have been having?

A. I don't recall any.

Q. Did you advise the Vice President, you personally, after this meeting on August 8th, of what you had learned from Felix?

A. I did not.

Q. Did Don Gregg?

A. Not that I know of. I'm told that he did not.

Q. I'm sorry?

A. I'm told that he did not.

Q. By whom are you told?

A. Don.

Q. Did you have any understanding when the meeting ended as to whether Felix's allegations were going to be brought to the attention of the Vice President?

A. I don't recall. I don't believe we had an understanding that it would go to the Vice President.

Q Did you have a view as of the end of the meeting on August 8th, 1986, as to whether the information that Felix Rodriguez had just provided you should be brought to the Vice President's attention?

A. No, I think the more proper thing was to take these allegations and talk to other people in the U.S. Government about them before you take something like this to the Vice President of the United States, a series of allegations, a case of many little pieces, of which nothing gels.

Q I don't want to put words in your mouth, but was it your view at that time when the meeting ended that the information you had just received should not then be reported to the Vice President?

A. I don't think it was negative in that sense of the word.

Q Did you have a view one way or the other on that issue?

A. No.

Q You didn't think about it?

A. No. My thought was -- and I think Don's thought was -- that we ought to have a meeting of other government people and find out more about it; let's pass the word out to them, tell them what these warnings were.

Q You discussed that with Don after the August

8th meeting?

A. I don't know whether we discussed it immediately thereafter, but we had a meeting on August 12th.

Q. When the meeting ended, did you and Don talk about what you had just heard from Felix?

A. I don't recall whether we did or whether the press of events carried us off to something else.

Q. And this was fairly shocking news that Felix was giving you?

A. Yes, we may well have. It's just that I don't recollect every single thing that we do in a day.

Q. I understand. But Felix was now telling you that one of the most notorious, corrupt, and treacherous groups that had ever infected the United States Government was now involved in the contra resupply, correct?

A. Yes.

Q. These were people that were well known to Don because he was at the CIA, correct?

A. Yes.

Q. And they would have therefore also been well known to the Vice President, who had been DCI, correct?

A. Well, I guess they would have.

Q. They were known to many Americans?

A. They were known to many Americans.

Q. He told you also that, lo and behold, involved with this group as in effect chairman of the board was a member of the staff of the National Security Council, correct?

A. Yes.

Q. Would you not consider this extremely signi~~g~~ficant information for the Vice President to have? e3B.

A. At some point probably, but not immediately.

Q. You and Don Gregg were and still are the Vice President's two senior national security advisors, correct?

A. True.

Q. What do you brief the Vice President on?

A. We brief him on things which we think are important, but also on which there is substantiated information. These were allegations made by one person and the proper course of action to me is that, rather than running to the Vice President, who may not even have been in Washington at the time --

Q. Well, he would be back.

A. He would be back eventually. But the proper thing to do is, since Felix was giving us information as a warning that the CIA should not pick up this operation because of the Congressional appropriation, that we would talk to the CIA and others in the government that knew about it and say: Hey, guys, here is a warning; let us give you this information, and you guys think about it and get back to us.

Q Colonel Watson, you know that Don Gregg and Felix go back over a decade, correct?

A. That's correct.

Q They have a very close relationship; you were aware of that?

A. I'm aware of that.

Q You knew that in August of 1986.

A. Yes.

Q You knew that Don had recommended Felix highly for his position in El Salvador, correct?

A. Correct.

Q You knew that Don had an enormous amount of faith and trust in Felix, correct?

A. Yes.

Q Did Don Gregg indicate to you on or after August 1986, August 8, 1986, that he for one minute doubted the truth of what Felix was reporting to you and to Don Gregg at that August 8th meeting?

A. I don't think he told me that he doubted it.

Q This was not just one man coming in and making allegations?

A. This was Felix.

Q This was Felix Rodriguez, who had a very close relationship of trust and confidence with the Vice President's national security advisor, correct?

A. Correct.

Q. So it's not to say that some isolated man landing from Mars and saying that there are bad things happening down there. In that light, didn't you consider that this was information that ought to be brought to the Vice President's attention?

A. No, I would not speak to the Vice President immediately.

Q. Would you take it to him after you had checked it out?

A. I would want to get more information.

Q. Because you doubted Felix?

A. Not because I doubted Felix, but because I would want to check and find out what CIA knew about it, what State Department knew about it.

Remember, to jump out of this context for a minute, there was a Restricted Inter-agency Group. There were IG's and SIG's on Nicaragua going on, meetings which we were having a hell of a time -- which we couldn't bust into. We were refused entry to the RIG on Central America, where the rumors were that these things were going on; that they were making decisions about Central America.

I tried endlessly to get into those. So I didn't have good information on what was going on. And so what I wanted to do was to -- I thought, not what I wanted to do, but what I thought was that the way you pursue these things is that you talk to more people about them. I conducted investigations in my military positions in the past.

MR. LEON: Was Earle brought down to this meeting?

MR. BELNICK: Let me go on with this questioning and then I'll turn it over. I don't want to lose my thought.

BY MR. BELNICK: (Resuming)

Q. Let's talk about the RIG for a moment. Who chaired the RIG on Central America?

A. My understanding was Elliott Abrams.

Q. And you said you had been refused entry into that RIG?

A. Yes.

Q. Who had refused you entry?

A. Well, I think Elliott.

Q. When?

A. I can't say specifically, but there were at different SIG meetings, Senior Inter-departmental Group meetings, on the Nicaraguan humanitarian assistance that would go on, and you walk up to a conversation and you would hear the words: We will talk about that at the RIG.

And a couple of times I made the request at

Elliott's office that I be invited to the RIG, given my responsibilities. And the answer always came back, no.

Q. Did you tell Don Gregg that had happened?

A. I think so.

Q. And what did Don say about that?

A. Keep trying.

Q. Did you?

A. Yes.

Q. And you kept getting refused?

A. Keep getting refused.

Q. By Elliott Abrams?

A. Yes. I can't say that it was two times or ten times that I made the request.

Q. It happened more than once?

A. More than once.

Q. Did there come a time, then, that you or Don Gregg went to the Vice President and said: We, the senior advisors to the Vice President, are being refused admission to the RIG on Central America?

A. I never thought of going to the Vice President. I prefer to deal with things that I can deal with, and I don't have to go tattling to the Vice President to tell him my problems that I can't solve. So the way I dealt with it was to continue to try, to listen at the SIG's on Nicaraguan humanitarian assistance.

In the fall, when the NSTD was done after the Congress had authorized aid, I asked to be included in the IG on Nicaragua, and I had to write a memo saying, please include me, and I was.

Q Let's go back to the RIG. Elliott Abrams chaired the RIG. Who did you understand was on the RIG aside from Chairman Abrams?

A. I got the impression that it was [redacted] and Ollie North.

Q Anyone else?

A. Not that I know of.

Q From where did you get the information that it was the three of them?

A. Because it was at a SIG on Nicaraguan humanitarian assistance, Elliott would say to, or [redacted] would say, we'll talk about it at the RIG, to [redacted] or to Ollie North, something like that. So I knew that at least they were on it.

Q Did anyone ever tell you that it was the three of those persons who comprised the RIG?

A. No.

Q Who chaired the SIG meetings?

A. Usually Mike Armacost.

Q Did you ever complain to Armacost that Abrams wasn't letting you into the RIG meetings?

UNCLASSIFIED

A. No.

Q. Did you ever tell anyone on the seventh floor of the State Department that that was happening to you?

A. No.

Q. And you never got into the RIG meetings?

A. Never got in.

Q. Did you ever confront Elliott Abrams and say, why the hell are you keeping me out of these meetings, in words or substance?

A. I think I did on one occasion.

Q. And what did he say?

A. He said, well, we'll think about it.

Q. Did you tell him that was unacceptable, that you as the Vice President's deputy wanted to be at those meetings?

A. I think I did.

Q. And what did he say?

A. I'm not sure if I ever heard anything back on it or whether, when I checked later in the week -- I think they were on Fridays -- he might have said no.

Q. In any event --

A. I never got there.

Q. Now let's go back to August 8th. Do you recall during the discussion with Felix and you and Gregg Bob Earle entering into it?

UNCLASSIFIED

A. Just a minute. Can I go back?

You've got to remember that in the United States Government, covering as many issues as I have to cover, from the Soviet Union and arms control to international economics to Mexico and those kinds of things, that you go to a hell of a lot of meetings. And you have to sift and sort what meetings to go to that are important and what aren't.

Q. Well, you thought it was important to go to the RIG, didn't you?

A. It was important enough to ask about.

Q. Therefore important enough to go?

A. It's important enough to ask, and then there must have been something sensitive going on. But at the same time, the broad picture of the United States Government policy that was being formulated at NSC meetings and SIG meetings and that sort of stuff also gave me enough information to have a general idea of what the President's policy was.

And yes, I would want to go, but it wasn't enough to fight about. It wasn't enough to want to know that specific technical information --

Q. It was important enough that you volunteered it here. One of the things was that you had been refused entry into the RIG on Central America, and you had tried endlessly?

A. Yes.

Q. So it was important to you.

A. Several times.

Q. And it was so important to you that you were cut out of those meetings that you had wanted to attend, correct?

A. Yes.

Q. And you thought it was wrong for you to be cut out and you still do, correct?

A. And I still do.

Q. Now, going back to August 8th --

A. Well, there are a lot of things that are wrong in the world, but you're going to have to draw the line on where do you -- how far do you fight and when do you stop bothering about it?

Q. I understand that. But Central America was an area that was one of your responsibilities, correct?

A. Correct.

Q. This was the RIG on Central America. What did you understand the RIG's function was?

A. To talk about sensitive subjects dealing with Central America.

Q. And to do what aside from talk?

A. Didn't know. It was one of those things where you hear something is going on and you want to be -- you want to find out what's going on, and so you try.

Q. Did you ask anyone at the SIG what the RIG was all about?

A. I think I gathered that they were dealing on sensitive issues dealing with Central America. I presumed it was diplomatic negotiations or dealings, back channel dealings with the heads of state, that kind of thing.

Q. What did you understand that the Abrams [redacted] North RIG was doing vis a vis the contras?

A. I didn't know.

Q. Did you know what issues they were dealing with with respect to the contras?

A. Didn't know.

Q. Did you ask anyone that question?

A. I don't know.

Q. Did the RIG make reports to the SIG meetings that you attended?

A. No.

Q. And you never asked Mike Armacost, what is it that the Central American RIG does aside from talk about sensitive issues?

A. No.

Q. You never asked him what the sensitive issues were that they talked about?

A. I don't think so.

Q. Now, going back to the August 8th meeting, do you remember Gregg calling Bob Earle to come down to the meeting when he couldn't meet North?

A. I remember that we tried to reach Bob Earle, and it was either the August 8th or the August 12th meeting, to come down. I don't recall which it was. I think Phyllis had to make several phone calls to try to get them down, and they were very reluctant to come down.

I think we tried initially to get North, and Earle showed up at some point. But I don't remember which meeting it was.

Q. But to go back -- and then we will go forward -- your view at the time the August 8th session ended was that this was not something that should be brought immediately to the Vice President's attention, at least not until it had been further checked out and discussed, correct?

A. Correct.

Q. What did you do to check out Felix's assertions about North's involvement with the private network that was operating for the contras, the Secord-Wilson group?

A. As I remember, we had an August 12th meeting with representatives from different agencies and departments of the government, and Don briefed them on the points which Felix had made and asked them to take information on board and consider it.

Q. That was four days later, right, August 12, 1986?

A. That's correct.

Q. At that meeting -- and I believe your notes of it appear at Exhibit 4 at page N-46662 -- do you recall whether Gregg told the assembled group that North was involved with this Wilson gang down in Central America, and that he was directing their efforts vis a vis the contras?

A. I don't specifically recall that.

Q. Do you remember if Gregg mentioned anything like that at the meeting?

A. I don't recall that.

Q. Nobody else does, either.

Now, in light of that can you tell me how you checked out Felix's allegations that North was involved with this corrupt group?

A. I'm not sure we did.

Q. Do you have a recollection of checking it out?

A. No, I don't.

Q. Did you ever personally confront North about the allegations?

A. No, I did not.

Q. Did you confront Earle about the allegations?

A. No, I didn't.

Q. Do you know if Gregg confronted North or Earle?

A. No, I don't.

Q. Tell me what you recall -- and you may look at the notes if they help -- about what occurred at the August 12th, 1986 meeting? Who was there and what was said?

A. Well, my notes said that the meeting was at 1:30 on August 12, that Don, myself, Ray Bur~~k~~ghardt, senior director of the National Security Council staff, Bill Walker from State, Ed Corr, the Ambassador, [redacted] from the Agency, Jim Steel of the MIL group, and that Bob Earle came late.

And as I remember, Don went through his notes with the people or went through and talked them through the meeting with Felix. Mainly the focus was Secord, Clines, shoddy equipment, selling hand grenades; and that the aircraft operation was slipshod, an unsafe operation; and that would these people take the information on board and consider it as the government was setting up its resumed military assistance.

Q. And what do you recall others saying at the meeting? Let's start with [redacted] Do you recall him saying anything?

A. As I remember, he was fairly quiet. I think most people were quiet.

Q. Do you remember whether [redacted] took notes of the meeting?

A. No, I don't.

Q. Did [redacted] make any statement about what the CIA's intentions were regarding this private group?

A. I don't recall any.

Q. Do you recall if [redacted] made any statement as to what, if anything, the Agency knew about this Clines-Wilson group?

A. I can imagine, if he said anything, what he probably said. But no, I don't.

Q. You don't recall him saying anything?

A. No, I don't recall him saying anything.

Q. What about Ambassador Corr?

A. I remember Ed making some comments, but I just don't remember what he said.

Q. What about Bill Walker from the State Department?

A. I remember Bill was awfully quiet, too.

Q. Colonel Steel?

A. I think he said that Felix was doing a good job on the helicopter kind of stuff, but I don't remember whether there was any discussion by Jim on the other thing.

Q. What about Colonel Earle?

A. He got to the meeting late and I don't remember whether he ever took a seat with us in the meeting or whether he stood back leaning against a bookcase. I remember, I vaguely remember him standing outside the sort of circle of people that were sitting.

Q. How long did the meeting last?

A. I don't think more than 20 minutes or 30 minutes.

Q. Did anyone take notes that you saw?

A. I don't remember anybody taking notes.

Q. Did you?

A. Only afterwards, to write down who was there.

Q. So aside from that, did you make any memo of that meeting?

A. No, I didn't.

Q. What did you understand to be the result of the meeting when it ended?

A. That we were telling the people around the government what we had heard, that they ought to take that information as the government set up the military aid effort, they ought to take it into consideration and be warned by at least us and one person, Felix, that there were problems with these people, and that the Agency especially should think very hard before they became associated with these people or bought the resupply operation that Secord and Clines were running.

Q. What assurance did you have by the end of that meeting that the Agency would not pick up these people?

A. I'm not sure that we had a specific assurance. I think the only assurance we had was that everybody would take the information and think about it, compare it to what you knew.

Q. Did you ask any of these people to verify or to

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get back to you on whether they could verify the information that Felix had provided?

A. I think we probably did.

Q. Did you? Do you have a recollection of asking anybody to do that?

A. I think Don probably did ask them.

Q. Do you recall that he asked them to or are you just thinking he probably did?

A. I'm only thinking that he probably did.

Q. You don't have any recollection?

A. I don't have any.

Q. Do you recall hearing back after the meeting from any of these people?

A. Don told me at some later point that [redacted] had come back and said that they were not going to associate with these people.

Q. When did he tell you that?

A. I don't remember when it was. I wish I could be more helpful.

Q. Well, whatever you recall.

After the meeting, did you report to the Vice President on this information and what had been done with it?

A. I did not.

Q. Did Don Gregg to your knowledge?

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A. I don't know.

Q. Did you ever ask Gregg if he did?

A. No, I didn't.

Q. Has he ever told you whether he did or did not report this to the Vice President?

A. Well, I think I have heard subsequently that he didn't. But I don't recall Don ever telling me that he did or did not.

Q. From whom did you hear that Gregg did not report it to the Vice President?

A. I think it was in the newspapers.

Q. Did you have a view, after the August 12th meeting, on whether this information ought to go to the Vice President?

A. No.

Q. No view one way or the other?

A. I thought that once we got the information together, once it coalesced, and if we heard something, that it probably should at some point.

Q. When?

A. Whenever the information comes back.

Q. What information?

A. Well, if somebody comes back and says that, yes, we know something about this, or that, no, we're not going to associate with him, that that would be an appropriate time, if somebody told me, that I would then prepare a memo to the VP summarizing it. But it never --

Q If [redacted] had gotten back to you and said, we the Agency are not going to associate with those people, you would have reported that to the Vice President and summarized what had led to it, correct?

A Yes.

Q Now, the -- did you do anything yourself to see if anybody was going to get back to you with information as a result of the August 12th meeting?

A No.

Q Were you concerned as of August 12 still that a member of the National Security Council staff was involved with this notorious group?

A Yes, I was concerned because Earle was being -- they didn't want to come to the meeting and all that, and it concerned me that they were trying to either avoid the information or avoid discussing it.

Q Absolutely. Now, two and two could equal four, right? This would explain why you were getting cryptic references from North and Earle about this, correct?

A Yes.

Q This would explain why Earle was not eager to come to the meeting, correct?

A It could.

Q This could also explain why North himself didn't appear at the meeting, correct?

A. Yes.

Q It could possibly explain why you were being cut out from RIG meetings, correct?

A. It could.

Q Therefore, this was highly significant information, was it not?

A. All the individual pieces were.

Q And that means information that a National Security Advisor should get to his principal, correct?

A. Should have. But I was derelict and didn't.

Q The information should have gone to the Vice President, correct?

A. When it was mature information.

Q And certainly by some time in September it was mature, if not earlier?

A. I couldn't say it was mature in September, because I didn't know whether we had any information.

Q How long would you have felt it prudent to wait to tell a principal of the National Security Council for whom you worked that a member of the National Security Council staff was the chairman of the board of an organization that was utilizing the good services of Tom Clines and company?

A. I suspect I would have at some point, if I got another trigger event or some more information.

Q. And if there was not a trigger event, would you have waited endlessly?

A. No, I don't think so.

Q. This was information that should have gone to the Vice President as promptly as possible; would you agree with that?

A. No, I wouldn't.

Q. Well, then when?

A. I don't agree that it should have gone promptly, because it was not information that was mature enough or that was filled out enough to pass on to him.

Q. What did you do to make it mature enough?

A. We passed it out to those different people at the August 12 meeting and said: Take it on board, think about it, work on it.

Q. Did you ask them to do it promptly?

A. I don't recall whether we did or not.

Q. Well, did you expect that it would have been done promptly?

A. Well, I would have expected that it would be done before somebody started setting up an operation.

Q. And if you didn't hear anything back, you would have checked it out?

Q. Yes. But remember what I said: At some point [redacted] got back to Don, but I don't recall when it was.

Q But whenever it was, at that point at least you would have expected that a report should have been made to the Vice President, correct?

A. One could be made orally, one could be made verbally.

Q Orally, verbally, in writing. I'm talking about a report to the Vice President. At least as of the time [redacted] reported back, the information should have gone to the Vice President in your opinion, correct?

A. Yes.

MR. BELNICK: Let's take a break.

(Whereupon, at 12:30 p.m. the taking of the instant deposition was recessed, to reconvene at a later date.

____

Signature of the witness

SIGNED AND SWORN TO before me this ________________________

day of __________________, 198 ___.

____

Notary Public

My Commission expires:

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DEPOSITION OF CASPAR W. WEINBERGER

Wednesday, June 17, 1987

House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D. C.

The Committee met, pursuant to call, at 10:40 a.m., in the Office of the Secretary of Defense, The Pentagon, Washington, D. C., John Nields presiding.

On behalf of the House Select Committee: John Nields, Robert Genzman, Roger Kreuzer, and Joseph Saba.

On behalf of the Senate Select Committee: John Saxon.

On behalf of the Witness: H. Lawrence Garrett, III, and Edward Shapiro.

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Under provisions [illegible]
By [illegible], National [illegible] Council
K. JOHNSON

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3B of 3

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CONTENTS

DEPOSITION OF:	PAGE
Caspar W. Weinberger	
By Mr. Nields	3 41
By Mr. Saxon	40 84
By Mr. Genzmen	82
By Mr. Kreuzer	92

EXHIBITS

EXHIBIT NUMBER:	PAGE
CWW-1	4
CWW-2	21
CWW-3	51
CWW-4	56
CWW-5	67
CWW-6	71
CWW-7	74

Whereupon,

CASPAR W. WEINBERGER

was called as a witness and, having been previously duly sworn, was examined and testified as follows:

EXAMINATION ON BEHALF
OF THE
HOUSE SELECT COMMITTEE

BY MR. NIELDS:

Q Mr. Secretary, I would like to say just at the outset on behalf of both the House Select Committee and the Senate Select Committee we very much appreciate your making time available to us. I know it is time that is precious to you, but it is of great assistance to the members of the committee to have testimony on the record that they can review prior to --

A I am glad to help. Everything I have had to say is on the record at least twice, and maybe you said three times.

Q We are hoping that with the use of some documents perhaps we can help refresh your memory further on some of these matters.

A My memory will probably need plenty of refreshing. It is fading in all aspects, I am sorry to say, but go ahead.

Q Thank you very much.

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When, to the best of your recollection, did you first become aware that there was under consideration within the administration the idea of opening up further relations with Iran including possible sale of arms?

A Well, I think when this memorandum came in, which I see is dated June 18, 1985. There was a memorandum that came over that asked to -- opinions on the possibility of this kind of an opening. I think -- I see it is dated June 18. That roughly accords with my memory, the memorandum making the request and attaching an intelligence assessment was dated June 17. So I would say I probably saw it on the 18th of June.

Q Now the Secretary is referring to a document I would like to mark as Exhibit 1.

(Exhibit No. CWW-1 was marked for identification.)

THE WITNESS: That's the memorandum plus the attachment.

BY MR. NIELDS:

Q Correct. I will just put it in front of you, Mr. Secretary, and ask you if Exhibit 1 isn't the memorandum you were just referring to.

A Yes, it is.

Q I take it what came to you first was the memorandum itself with a cover letter from Mr. McFarlane?

UNCLASSIFIED

A Yes.

Q I think that's on the third page of the exhibit, the cover letter?

A That is. Yes.

Q And then the memorandum. To the best of your recollection, prior to that time, you were unaware of any such idea? When I say such idea, I mean selling arms to Iran?

A I have no memory of anybody raising it before then, no.

Q I take it that you personally read this memorandum?

A I did.

Q That was at about the time it was received?

A That's my custom. In this case, I remember specifically that I did.

Q And did you then make certain handwritten comments?

A I did.

Q Are those on page -- the first page of the exhibit?

A Well, they are on a cover memo from General Powell to me which asks if the memorandum should be passed to Mr. Armitage. I have noted on that the subject matter, the suggestions in the proposed NSDD is, as I have said here, a direct quotation, "Almost too absurd to comment on. By all means, pass it on to Rich" -- meaning Mr. Armitage. "The assumption here is that Iran is about to fall and secondly that we can deal with that or with them on a rational basis." Then I put, "It's like asking Qadhafi over to Washington for a cozy lunch or chat."

In other words, I was totally against the whole idea.

Q It seems clear. What you were just reading into the record is your own handwritten notes?

A On the routing slip, I think we should call it.

Q Which is the first page of Exhibit No. 1?

A Yes. Right.

Q Above your handwriting, I take it, is the handwriting of General Powell?

A Of General Powell. That's what I read. He said, "This came in 'eyes only' for you. After you have seen it, recommend I pass it to Rich Armitage for analysis." It is signed by C.P., General Powell. It was then I added my comments, "Almost too absurd even to comment on."

Q I take it that means General Powell would have read it first and then routed it to you?

A Yes. That's the invariable custom in this office. Everything coming in for me goes to his desk first. That's been the case with the military assistants since I first took office.

Q When you wrote, "This is almost too absurd to comment on," what did you find absurd?

A The whole idea that we could get a better relationship with Iran or that we should do any of the things that were suggested in this memoranda. The idea that we could have -- "urgent new efforts are required. In moving forward, we must be especially careful to balance our evolving relationship with Iraq in a manner that does not damage the longer term prospects for Iran."

The idea that there was any possibility of any kind of better relationship with the leadership, with the government of Iran, or that Iran was about to change governments and that the sucessor government would be somewhat better. "The U.S. position in Tehran is unlikely to improve without a major change in U.S. policy." I disagreed with this strongly. I think that they needed a major change in Iranian policy and personnel.

And "a more conservative regime, still Islamic" -- quoting now -- "might lessen the emphasis on revolution and terrorism and could move cautiously toward a more correct relationship with the U.S."

That would not be true with any of the present leadership or with any of the people likely to succeed in my opinion. And there are a great many other points I could go through in detail here, but basically my view was that we needed a total, complete change, not only with the Ayatollah Khomeini but with all of his likely successors, since he had complete domination of the government and that they weren't likely to fall in the sense that the government would change as completely as it did when the Shah fell and Khomeini came in, but that that was the kind of change we did need; and that barring that, we didn't have the slightest possibility of getting any kind of an improved relationship with people like that, whom I regarded basically from our point of view as irrational lunatics.

Q So I think you made this abundantly clear, but your objection to the memo, to the proposed NSDD was not limited to the proposal to sell arms? It was the entire concept that you felt was --

A That was I think one of the things that set off the barely suppressed fury in my tone, but the whole idea was clearly -- obviously the whole includes the lesser and the lesser was selling arms or opening any kind of -- attempting to open or having a policy to open any kind of dialogue or relationship with a country that has behaved as Iran does all the time and as they had with our previous hostages.

Q That was going to be my next question. I think you've already answered it.

You did focus, I take it, on the proposal that involved arms?

A Oh, yes. Yes, indeed. Let me see if I made a special comment about that.

Q You don't need to read it.

A Develop an action plan, support a basic policy objective both for near-term contingencies as well as long-term restoration of U.S. influence in Tehran, increase contacts with allies and friends on the evolution of the Iranian situation.

This at a time, not quoting now, when I am trying my best to stop the flow of arms from various people to Iran. And increase -- I have forgotten where the actual suggestion was.

Q There was a suggestion in there, I think later on, toward the bottom of the page. I can find it for you.

In any event, there is a reference to selling arms and I take it, as you said, that that was not your sole objection but it was one of the things that set you off?

A Indeed, yes.

Q Did you have -- other than writing your comments in a more formal way somewhat later and sending them to Mr. McFarlane -- did you have any --

A You have got here --

Q There has been a mis-Xerox on that copy which we will correct.

A You have page two and three of my response, I believe.

Q And not page one. It is missing.

A That's right.

Q But we have it in our offices and will substitute it.

A My recommendations reflect my very strong view -- this is my memorandum commenting on this -- formal memorandum, not the note -- "reflecting my very strong view that U.S. policy must remain steadfast in the face of international lawlessness perpetrated by the Iranian regime. Changes in policy and in conduct, therefore, must be initiated by the Iranian government. By remaining firmly opposed to current Iranian government policies and actions, yet supportive of moderation and a longer term improvement in relations, we can avoid the future enmity of the Iranian people. . . " so on and so on.

Yes.

Q Did you have any oral discussions with any other officials outside the Department of Defense?

A I certainly had plenty with the Defense people. They were all in full agreement with the views I expressed. I think I probably talked to George Shultz about it once or twice. I'm sure I did, yes, about the enormity of the nonsense contained in the proposal and found that he was in full agreement. I think that was a telephone conversation. I couldn't give you the date. It was probably sometime between the time I received the document on June 18 and made my response.

You don't have page one of my response?

A I apologize. We simply for some reason it didn't get copied.

A Do we have it?

MR. GARRETT: No.

THE WITNESS: In mid July, about July 17, I sent McFarlane my comments suggesting that the Khomenei government's continued unacceptable behavior didn't merit revision of our policy. Under no circumstances should we now ease our restrictions on arms sales to Iran. That was the sentence I was looking for that I couldn't find.

BY MR. NIELDS:

Q Did you have any discussions with Mr. McFarlane about it or did you respond solely in writing to him?

A I can't remember. I may have. I may have called him up and howled a bit on the phone about what an absurd thing this was. But I'm not sure I did. I'm almost positive I did with George Shultz. I don't know whether I did with McFarlane or not.

Q I take it you have no recollection of doing it with any other government official?

A No. I don't think so. I don't remember doing it with anybody else. A lot of internal discussion among a small number of people. They marked it top secret so it didn't go all over the Department. But it was a unanimous opinion here that it was absolute nonsense.

Q Did you focus in any way at that time on the legalities of selling arms to Iran?

A I don't think so. I just assumed it was -- as I said, I just felt it was almost too absurd to waste my time on. The idea of selling arms to Iran when we were trying to prevent everybody else around the world from doing that was such total nonsense that I didn't do it. I undoubtedly was aware of the various rules governing such things but I didn't order a legal opinion on it. It wasn't on a legal basis that I opposed it. It was on a policy basis with the very strongest possible views.

Q Understood.

Was it -- I take it it was your understanding subsequent to your having expressed your views in writing that nothing came of this?

A That was the basic feeling I had, yes.

Q When is the next conversation that or next event that you recall dealing with the subject of arms and Iran or further initiatives to Iran?

A Well, I don't know whether -- I don't have personal memory of having been present at any White House meetings in August on this subject. There may well have been some discussion but I don't have a specific formal recollection of it.

The next point that I do remember was that -- and I assume this is all classified now?

Q Yes.

[redacted]

[redacted]

I think at that point I demanded to know what all this was from Mr. McFarlane. Ultimately a meeting was called in the White House, I believe on December 7th.

Q Okay, now. So that your memory of the time frame [redacted] would be fall?

A Sometime in the fall, November, something like that. The meeting in early December would indicate to me that my complaints had had some effect perhaps and at least we were -- I was now going to be told what was happening.

[redacted]

[redacted]

Q I would like to go back in time and see if anything might refresh your memory with respect to the August time period.

A All right.

Q First, do you recall having any meetings either in the hospital or in the President's residence after he got out of the hospital?

A Yes. Not in the hospital, but upstairs in the White House. There was a meeting and I don't know what date that was. But memory is that it was a Saturday. I'm not sure. But I think it was a Saturday.

Q And what do you recall about the meeting?

A Well, I think there was some discussion about the idea of this, of this arms sale possibility or proposal and I argued against it and made the points that I have been making repeatedly here this morning as well as every other time the issue came up. But I don't have specific memory of that.

I do have a memory of a meeting with the President. I believe he was in his hospital bathrobe or something, and it was up in the White House, upstairs, the end of the long corridor, in the residence quarters. I just am not sure whether it involved this issue or not. We did have occasional meetings up there, budgetary issues and other pending problems and so on.

My appointment sheets have been given to you. If it shows I was at the White House on a Saturday or something, why, that may have been that meeting.

Q We were just checking.

There is both the August 7th and August 8, there are references, one, to an NSPG meeting and the other to a cabinet meeting at the White House.

A Those would -- they would have been held downstairs, either in the Situation Room or in the Cabinet Room. I don't have specific memory of what came up at those meetings, but undoubtedly my appointment sheets,I am sure,are correct. They show where I went and what I was doing.

Q Your best memory is it was a Saturday?

A The meeting upstairs which is comparatively unusual with the President in his bathrobe, quite unusual, I do remember that. But I don't remember the -- all of the topics that were discussed. I do know that every time this issue arose, I opposed it very strongly and I remember that the December 7th meeting, after this problem [redacted] [redacted] that we did have a rather full, formal discussion of the whole thing and Mr. Shultz was there, I was there, I think Mr. Casey was there. I am not sure. Maybe Mr. McMahon. I think Mr. Casey and Mr. McFarlane.

Q Before you get -- I do want to get into that, but there are other matters that I think it is important to do before we get to it.

Just so I understand, are you saying that the references in your calendar to NSPG meetings and cabinet meetings on the 7th and 8th which were not Saturdays --

A Of August?

Q Yes.

A Yes.

Q -- are unlikely to be the event you are recalling?

A Yes, I would think so. First of all, I don't think there was any discussion of this matter in any very large forum, that is this Iranian thing. The December 7th meeting was a small group I believe in the Oval Office. The January meeting, January 7th was also a small group in the Oval Office. And so the NSPG is a somewhat larger, more formal body with people at the table and people on the back benches and so on. Cabinet meetings are very, very large gatherings.

I would -- the fact I was at the White House on those types of meetings would indicate to me that these -- this Iranian thing was not discussed then.

Q So it could have been and your memory is a Saturday?

A Somehow that is in my mind, yes.

Q I will say I don't know whether you can help us on this, but I notice that in most instances, Saturdays are blank on your calendars. I drew the inference that that might have been because whoever keeps them may or may not have --

A No. If I have some scheduled appointments, they appear. I have, as far as I know, calendars. I don't normally make very many appointments on Saturdays. But I will come down here and do some work and things like that. But don't have too many formal appointments on Saturdays. But there are Saturdays when I have had. Yes.

Q At this meeting, whatever the exact date may have been --

A What I am saying is that we had the two memorandums we discussed, the request for comments and my comments about them.

Q Right.

A The only other next time I remember really very formally discussing this matter with the President or with anybody else was the December 7th meeting.

Q I understand it. I still need to just ask the questions.

Q In between, the only thing I remember very specifically were [redacted] which, as you've said, we have discussed.

Q Well --

A That isn't to say there couldn't have been some meeting in August or something at which this was discussed with the President.

Q It is no secret, of course, and you may or may not be aware of it, that, for example, Mr. McFarlane recalls a meeting in that time frame, August or so.

A Yes.

Q And recalls your taking a position at the meeting?

A I hope of opposition?

Q Opposition, and indeed, he said specifically that it was on, among other grounds, legal grounds that there were --

A Well, I trotted out all the arguments I could think of. Certainly I would have raised that. Whether I did that before December 7 or not, I don't know. I certainly did it December 7th. So it is quite possible, but I just don't recall.

Q I take it also you do not recall specifically a proposal in the August time frame which involved Israel in some way?

A No, I don't. I read about that in the Tower Commission and got questions on that in other hearings.

I don't have any recollection of that. I think McFarlane at one of these meetings referred to a man named Kimche or somebody, an Israeli agent of some kind whom McFarlane placed great reliance on as a person who was recommending or who supported this course of action. But whether or not that was in the fall or whether it was only at the December meeting, I don't know. The December meeting is the one I have the major memory of.

You understand that there are hundreds of meetings about every subject. I can't possibly recall what the NSPG or the cabinet were, and those dates you mentioned. But somewhere I am sure we have some records of them.

Q That's a good point. I would like to get to that later, too.

There has been some -- also some public record information that in September there was a shipment of TOWs by Israel to Iran and the following day the release of Benjamin Weir. I guess the question I want to ask is, to the best of your recollection, were you aware of the reason for Mr. Weir's release at the time it occurred?

A No. No, I was not. I remember vaguely that a man named Weir was released, that he made a lot of rather damaging anti-U.S. comments and his wife worse, but I don't recall anything about the circumstances. I don't know anything about Israel transferring weapons to Iran.

Q And I take it that --

A In that specific event.

Q And in that time frame?

A No.

Q I take it you don't recall any requests you were aware of to the Department of Defense for replenishment of those weapons?

A No. No.

Q Okay.

Now I'd like to move forward into this [redacted] time frame.

A Yes.

Q And I guess the best way to get at it is have this document marked.

(Exhibit No. CWW-2 was marked for identification.)

MR. NIELDS: This is the one you have just opened to. There is another one in this book. Larry, you can just turn the page.

THE WITNESS: Prepared by me on the 19th of November. All right.

BY MR. NIELDS:

Q I guess my first question is, have you seen this document recently?

A Well, I've seen it within the last perhaps month,

TOP SECRET UNCLASSIFIED

maybe two weeks, as I was reviewing material for this.

Q So you are generally familiar with its contents at least as you --

A Well, yes, generally I am familiar with it. I can refresh my memory as I go over it now.

These are the availability of Hawk missiles and he talks about the pros and the contra points and all of that. It was not a document I saw contemporaneously. I didn't see it at the time. Don't remember seeing these penciled notes or anything.

Q The penciled notes would have been notes of Mr. Gaffney. I guess we need to put his first name on the record.

MR. GARRETT: Yes. Hank.

BY MR. NIELDS:

Q Hank Gaffney, as is this little buck slip on the first page.

A All right.

Q But he has indicated to us that the point paper, Hawk missiles for Iran, was a document which he was asked to prepare by General Powell and Noel Koch and that it was his understanding that it was to be used by you at an NSC meeting and that he understood you wanted some arguments against the transaction that appear to be contemplated in the talking points.

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A Well, that is conceivable it would have been for that December meeting. I don't have a specific memory of it.

The practice of the NSC was to schedule meetings and then reschedule them. I can't remember a single meeting that was held on the date it was originally scheduled. This could have been done -- what is the date of this?

Q Well, I think we have -- our best idea of the time this document would have been created is towards the latter part of the week of the 18th of November.

MR. SAXON: I believe he created it the 18th or 19th or at least began working on it at the request of General Powell and Mr. Koch.

THE WITNESS: As I say, after we had the problem with the point or whatever [redacted] and got NSC straightened out [redacted] and found out the extent of this kind of thing, then I made my strong demand for a meeting and at least to find out what was going on and what all of this related to [redacted]

And it may have been then -- I can't remember when we were told such a meeting would be held. In the normal course, when a meeting is scheduled, a lot of material is prepared for me and the staff in order to do that, find out from the staff of whoever is holding the meeting, the NSC in this case, generally what the agenda is. So this may have been the origin of it. I don't have a specific independent memory of it.

I did see it in the last couple of weeks here in general preparation here.

MR. GARRETT: May we go off the record a minute, John?

MR. NIELDS: Sure.

(Discussion off the record.)

MR. NIELDS: Let's go back on the record.

BY MR. NIELDS:

Q Mr. Secretary, we have just been off the record. Maybe I should put on the record I think what we have established or believe we have established, which is that this point paper was the one, the file copy which Mr. Gaffney kept and he believes that he gave the original to General Powell sometime around November 21.

We have White House documents that indicate that Israel was very anxious to have some Hawk missiles replenished right at about this time. These I am referring to now -- you probably heard of these PROF notes?

A I have heard of them. I have never seen one, but I have heard of them.

Q I will be showing you a couple later on.

In any event, they indicate the Israelis were very anxious to have very prompt replenishment.

A These are White House documents?

Q White House documents -- of Hawk missiles and at just about the same time, apparently, this point paper was created by Dr. Gaffney.

A Well, it could be that the request came from some NSC staff person and went into our staff. They do have some relationships at staff levels, particularly, as I say, in getting ready for meetings and in carrying out things. But go ahead.

Q Well, I guess my real question is, do you have any recollection at all of learning that the White House was trying to replenish Hawk -- Israel's missiles or was proposing to sell Hawk missiles to Iran, and do you recall getting ready to deal with such a proposal in this time frame?

A No. [redacted]

[redacted]

But I don't have any other recollection of any -- that that was necessarily going to be the subject of the meeting or anything of that kind.

The meeting, as I recall it, was finally held in December on the basis of my complaints and my request for more information and presumably some sort of conclusion by McFarlane that he'd better have a wider group of people know about this.

But as far as the Israelis wanting to replenish or whatever, no, I don't have any specific memory of that. Our weapons sales to foreign countries are handled all through DSAA, a very -- and follow very specific formulas, have to be approved by the Congress, have to be paid for. Various undertakings have to be signed by the recipient country that they won't use them except for defense, that they won't resell them except with specific authorization, et cetera, et cetera.

I don't recall anybody asking us to do something in any different way or anythingof the sort. Once authorization is approved, I don't get into the details of the transaction. I don't ask if the planes for Honduras went out last week or anything of that kind. It flows along, along an established normal path.

Q Would a request of this nature, of the kind that's covered in this point paper which went through General Powell, would that be the kind of thing that in the ordinary course would be brought to your attention?

A Oh, yes. If there was a proposal that that be done, this could be General Powell preparing himself or getting material ready that he thought I would need for an NSC meeting or something of that kind.

Before any use was made of it, before -- this, as I read it now, seems to be a general discussion of the background and the pros and cons of such a procedure, such a proposal. He would in the normal course assemble that.

If the meeting wasn't held, or the thing took care of itself otherwise, I might not hear about it. We would not be able to transfer weapons out of inventory to any country without a specific understanding from me and without specific direction. We would have the fulfillment of congressionally approved arms sales or something of that kind would go forward without specific authorizations, in each case me.

If you are talking about sales to a country that has never had them and is not authorized, and indeed is forbidden to have them, obviously yes, that would come to me.

The point paper which purports to prepare the -- purports to set forth the background and various points on the subject wouldn't necessarily come to me. It might be the first cut.

General Powell may have said that isn't good enough, or I need something a lot better than that, or the Secretary will need such and such, or this is not going to be on the agenda so we don't need it. Under those circumstances, I wouldn't get it.

Q Were you aware during this time period that Israel had shipped Hawk missiles to Iran?

A No. I have no memory of that whatever. I am sure I would remember it because, in my opinion, it would be a violation.

Israel receives our things for their own use. They are not allowed to re-export them without our specific permission. We have had two or three cases of, oh, technologies that they have incorporated in some of their engines and things like that that they then wanted to export the engines. In each case, our permission is required.

end emm
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CAS-1

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Q So it would have been -- you are saying it would have been a violation of law for Israel to have --

A I don't know of anything that would have taken it out of the normal course. I haven't researched the problem and had a legal opinion on it. My view is that our Arms Export Control Act would make that kind of transaction illegal, yes. That is just my own conclusion. I haven't -- as I have not researched the problem.

Q That kind of transaction, referring to a transfer by Israel to a third country of military equipment bought from this country under the Arms Export Control Act?

A Yes. Yes.

Q And I take it you were aware of -- at the time of no arrangement for -- involving arms and hostages in which Israel participated?

A No.

Q Moving forward to this December 7th meeting, I take it that you recall no discussion of any actual transaction involving Hawk missiles that had already occurred?

A I don't think there was a transaction. I do recall McFarlane was sustaining his arguments as to why this would be basically a good thing or something we could do, or something of that kind, by references to Israel, to the interest Israel had in Iran and to this man Kimche or Kimche whom he apparently regarded very highly and who I think

CAS-2

he kept referring to as a source for the -- or as a source of support for his argument.

Q Just -- I want to make sure. I think you answered this, but I want to make certain. You do not recall any discussion of any transfer of arms that had already taken place?

A No. No. It was still the December 7th meeting, that was still in my mind, a meeting at which the proposal was being thrashed around and considered and which I was opposing, George Shultz was opposing as strongly as we could, but certainly not anything had been decided. That is why I was so unhappy [redacted]

Q I take it there was no mention at this December 7th meeting of any finding that had been signed?

A No. No.

Q Okay. Well, maybe I should just let you describe the December 7th meeting which you have done somewhat.

A I think basically it was a basic idea of having a better relationship with Iran, that it was -- had great geostrategic importance, that they had some things they needed and that there were various people there that McFarlane was explaining the people that had been dealt with

CAS-3

and so on in his travels; that they represented a different group.

As far as I could bring out by my questions, they were all either relatives of or office holders of the present group. My repeated conclusion -- I am sure at tiresome length -- was that they couldn't be either expected to nor would have any different viewpoints or they wouldn't be holding office in that kind of government.

I also talked many times about the incongruity at least of selling arms to Iran when we were trying to persuade other countries not to sell and that any likely benefit in the way of hostage release or generally better relationships that might lead to hostage release would be viewed by most people as trying to buy the release, which we strongly opposed.

Negotiations with the kidnappers, so to speak, and all of that. These points, as well as the way it would look to our moderate Arab friends, I described a long antipathy the Saudis had to the Iranians, the even stronger antipathy the Jordanians had.

All of these things I thought would be very adversely affected by attempting to make any such opening with this country.

Q Where was the meeting?

A I believe the meeting was in the Oval Office.

CAS-4

Q Do you have any recollection of it being in the President's residence?

A No. It is possible. It is possible.

Q Who else was present?

A Well, George Shultz was present and made the same basic arguments I did.

Q Mr. McMahon?

A McMahon may very well have been there. There was one or two of these meetings when Mr. Casey was travelling. McMahon may have been there.

McFarlane was there. Don Regan was at almost every meeting I attended. I believe that is generally the case.

Q Admiral Poindexter there?

A Usually was with McFarlane. I can't say whether he was or was not at this meeting. Might very well have been. He was frequently there.

Q Was it McFarlane that was doing the presentation, so to speak?

A Pretty much in my memory, yes.

Q What was his position?

A Well, I think he was talking about the benefits that could be obtained if we could get a better relationship. He talked a lot about geostrategic terms, things like that. Nobody doubted or denied that Iran was in a very critically

CAS-5

important position. I think I made the point -- as I frequently did -- that we needed a good relationship with Iran. We used to have one.

It was our fault we didn't now, that we let the Shah fall without doing the things we should have done. And we got, because people were worried about the oppressive government, we got instead the most oppressive government since the middle ages in the fall of Khomeini, that we couldn't do business with them, they were fanatically anti-American, virulently anti-Western and anti-American. The people he was talking about were not people who could be expected or indeed were any different and we shouldn't do this.

George Shultz made the same point. I think he emphasized particularly the problem with other relationships with other Arab countries and the way it would be viewed by other friends whom we had been pleading with not to make sales to the Iranians.

All of these arguments were set out in great --at great length.

Q Did McFarlane argue the other side?

A Not a great deal, no. He rarely did that kind of thing. I always had a great deal of difficulty knowing what either McFarlane meant or where he stood. He was very, very close-to-the-vest type of approach in almost everything.

But he would frequently make points that were designed to show that there was another side or things like that.

Q How about Poindexter? What was his point of view, do you recall?

A I don't think Poindexter spoke very much at meetings where McFarlane was present. He was the deputy and he was basically a quiet fellow anyway. McFarlane was certainly not a flamboyant arguer in favor of this, but he was very -- he was -- struck me as a person who basically favored it, but was not,was not getting too far out in front.

Q Regan?

A I think Don was mostly listening at that meeting. I don't recall that he had anything very much to say.

The President also did not have a great deal to say. What he said seemed to me to be basically in agreement with the points that George Shultz and I were making.

He expressed understanding of the noise this would cause in other countries. That kind of thing.

Q Do you recall McMahon speaking out?

A I think McMahon basically was opposed to it. I think he generally took the position that their intelligence estimates and their intelligence activities -- first, their intelligence estimates were basically in agreement with points I was making, that we couldn't really expect anything from

CAS-7

these people and that the effect on intelligence gathering in other countries might be adverse. Something like that. My impression was McMahon was against it.

Q Do you recall --

A And I also felt the President was against it.

Q Do you recall raising the issue of legality?

A Not specifically, but I am rather sure that that was one of the points that I did make, that you couldn't sell arms without congressional approval and that there was, indeed, I believed at that time, a -- some sort of formal boycott or ban on this holding over from the hostage days.

Q Ban on sales to Iran?

A Yes. Yes. I was not reading a legal opinion.

Q Understood.

A I was freewheeling my own legal opinions.

Q Forcefully?

A Oh, I am afraid always, yes.

Q Now, I need to ask you some very specific questions.

A All right.

Q Do you recall the President saying in response to your legal arguments that the people would never understand it if he failed to release American hostages simply because he was worried about breaking the law?

A No. Not that.

Q Let me keep going and ask you -- because I want to

cas-8

give you the whole thing to see if it refreshes your memory.

A All right. There is no question -- start with this -- no question the President was very, very worried and very concerned about the hostages being held and always had been.

He is a very humane man and a person who worries a great deal about the fate of Americans being held anywhere. There is no secret about that. He mentioned that not just in this connection, but at many other meetings. This has always troubled him very much.

Q Do you remember him saying something to the effect that he was willing to take that risk and in an undoubtedly jocular vein visiting days are Wednesdays, or visiting days are Thursdays?

A No.

Q And let me complete it. Do you recall saying to him, yes, Mr. President, but the problem is you won't be alone?

A No. No. There wasn't anything of that kind. I made the point that it was -- at some point, then or in the January meeting, maybe both, that it was illegal among other things, but I also talked on the policy aspects of it. I talked on the effect it would have on our friends. I talked on the idea that it wouldn't accomplish what we wanted

CAS-9

to do in any event because of the kinds of people in Iran.

The only thing that strikes at all a home chord was that the President at some time, some meeting, said the American people or no one could forgive me if I didn't do everything possible to get Americans who are held anywhere released, but it was not in the connection of violating the law or anything like that.

The phrase I would -- the American people would never understand if I didn't do everything possible, something along that line, to release, or to get Americans who are held anywhere in the world freed.

It was more in that general vein. I don't recall anything about the President ever saying anything about violating the law. But there were an awful lot of other meetings.

Maybe somebody else heard that. I didn't hear that.

Q Well, I guess I should say there is a report that something like that was said and that you replied, yes, but the problem is you won't be alone.

A No. I don't have any memory of that whatever.

Q I don't know if that was in a jocular vein.

A It doesn't sound like anything anybody would joke about or anything of that kind. I don't know who your source is, but in my time in Washington, I have encountered some extremely unreliable sources.

CAS-10

Q I don't think this would qualify as an unreliable source.

A All right. I don't recall that conversation.

Q Okay. Fine.

[redacted]

Q Anything else about that meeting that you recall?

A No. Except that the impression I came away from that meeting was that the President had understood and basically agreed with all of these arguments, still was sort of frustrated at not being able to do anything about getting the hostages out. There is one other point that is extremely sensitive.

I don't know quite how to make sure that it doesn't go any further, because it still is a live possibility. I will rely on everybody here.

That is that --

MR. GARRETT: Mr. Secretary, maybe as a way of explaining we could go off the record if it is that sensitive.

THE WITNESS: I would rather go off the record.

MR. NIELDS: Let's go off the record.

(Discussion off the record.)

MR. NIELDS: Let's go back on the record.

We have just been off the record. The Secretary indicated while we were off the record that at some point during the meeting on the 7th, [redacted]

THE WITNESS: [redacted]

MR. NIELDS: [redacted]

MR. SAXON: I believe you said, Mr. Secretary, that was also discussed at the January meeting?

THE WITNESS: I think so, yes. It was mentioned two or three times by me. I am pretty sure it was at both meetings that it was mentioned. Each time he indicated that this is what he would like to do.

BY MR. NIELDS:

Q Okay. Anything else you recall about the December 7th meeting?

A No. Except the general impression I had coming away from it was that the President had concluded that this thing would not work, that arguments that George and I made were right, and that he was accepting it and that that finished it.

I believe I reported that back to very few people. So far as I know General Powell, when I got back. I indicated this little excursion had been finished. I think I used the expression that it had been strangled in its cradle.

MR. SAXON: May I ask a couple of quick questions?

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. SAXON:

Q Do you recall having been given any piece of paper by Richard Armitage prior to the December 7th meeting that explained the workings of the Arms Export Control Act and outlined legal positions?

A Not specifically, but Mr. Armitage did give me advice and background material whenever I requested it. It may have been that General Powell had assembled such a document in preparation for the meeting.

I don't have a specific memory of it.

Q Second, sir --

A At almost every meeting where we had an idea what the agenda was, there would be preparatory material arranged for me and given to me by the staff here.

Q Second, [redacted] do you recall Mr. Armitage telling you that he called Colonel North over for lunch on

CAS-13

December 3 and, in fact, asked him, Ollie, who is doing this, and Colonel North said, "it is me"?

A Yes.

Q Did he report the gist of that?

A He reported that. I can't tell you what time it was [redacted] -- at some point right in that range, he told me that.

Q He has consulted his calendars and dates it in his deposition on December 3rd and says he recalls having briefed you before the December 7th meeting?

A Yes. Colonel North responding as you have just said.

Q Finally, I don't think we got on the record, John, the Secretary's statement that the Gaffney point paper -- you indicated you had not seen it contemporaneously. I think you told us off the record also a search of your files did not surface this document; is that correct?

A That is correct, yes.

MR. SAXON: Thank you.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. NIELDS:

Q What is the next event you recall in this Iranian story?

CAS-14

A A meeting in January. A meeting in January at which time --

Q Where?

A Oval Office, again, I believe.

Q Who was --

A Pretty much the same cast. I believe --

Q McFarlane is now missing.

A Yes. But -- he has left the government. Whether he was at that meeting or not, I don't know. He may very well still have been at the meeting. Otherwise -- and Mr. Casey was there.

Q Was this something that was on an agenda?

Were you advised in advance?

A No. This was -- well, I am sure we had a day or so notification of it, although the NSC will call meetings sometimes at half-an-hour's notice or sometimes they will call them and postpone them for several days.

In any event, I got over there. It was a noticed meeting of some kind. I don't know whether there was anything on the agenda or whether a formal agenda circulated ahead of time or not.

I don't think it was. It was not a NSC meeting. It was a small group. It was in the Oval Office.

Q Were you aware in advance of what the subject matter of the meeting was?

CAS-15

A Yes, a little bit. I have to confess with some irritation, because I thought the subject had been finished. We went over and essentially went through the same points and same arguments again.

There were various reports of continuing negotiations as it seemed to me, procrastinations with the Iranian people, these people they had been meeting with from time to time. Nothing had happened.

Nothing had come of it. I made the same arguments I thought as effectively as before or as ineffectively, certainly as strongly. George Shultz did the same.

In fact, George Shultz ticked off a whole list of points. I think he even had some notes and was making very strong arguments against it with which I told the President I fully concurred and made my own arguments.

Some of the same points, some others. But this time the President's reaction was quite different. I got the strong impression he had concluded he was going to do it anyway, was going to go ahead with it, had decided he was going to do it.

I don't know McFarlane or Poindexter said a great deal, although the points were -- again, got the impression they were basically for it still, although McFarlane was reporting some troubles he had with some of the Iranians

CAS-16 he was dealing with. I think one of the points George Shultz made was that one of the Iranians was one of the widely known liars of the Middle East or something.

Q Mr. Ghorbanifar?

A I guess so, yes. About four or five different names. They all were equally bad as far as I was concerned.

Q Do you know what day this meeting occurred on?

A I think it was January 7th. I think it was -- I believe that.

Q Your records that you provided to us reflect that you went to the White House on the 7th, leaving here at 1046 and returning at 1308.

A Those were undoubtedly correct. They keep very meticulous watch on me.

Q So the best of your recollection and judgment would be that it was during that trip to the White House?

A Yes, I believe so. I think it was on January 7th and as the other meeting had been on December 7th

Q Your calendars also reflect a meeting with Admiral Poindexter,so far as I could determine it would have been here, the day before attended by General Powell?

A This would have been January 6th?

Q January 6th?

A It may have been that he came over to talk about the fact that this was going to be on the agenda of the meeting

CAS-17

next day or something. Sometimes he did that, but not usually. But bear in mind, this was obviously a very closely held activity at the White House.

He may conceivably have done that.

Q Do you have any recollection of it?

A Not specifically, no.

Q Do you have any recollection of there being any discussion either in advance of the meeting or during the meeting of the way in which the transaction would be structured?

A This was the January 7th meeting?

Q Yes.

A No. Because at the January 7th meeting, there was not a formal decision that we were going to do this. I got a strong impression that the President was leaning that way and had pretty well concluded that that was what he was going to do. But we didn't leave that meeting with the President saying, well, I am going to do this or anything of that kind.

But I got the strong impression from that meeting that he was going to do it as I had the strong impression exactly the other way in December.

Q Do you recall whether Israel was discussed at the January meeting?

A No. I don't. Though, again, it may very well have

CAS-18 been mentioned in the same connection that they had interests in Iran also and this would serve their purposes. And then there was some discussion of Israel's cooperation in some way with it.

Some joint -- I remember making the point that we would be -- if this came out at all, that there would be some additional risk to breaking the confidentiality of it because of getting more and more people involved.

I think Israel was mentioned in that connection. I think George Shultz made that same point.

Q I take it arms was discussed at the meeting? Were discussed at the meeting?

A I think arms were discussed as one of the ways of getting this better relationship, yes.

Q And hostages?

A The hostages were part of the discussion always. The principal benefits that were to come from it were always this better relationship with Iran and the need for that and that a side benefit, so to speak, or there would be some increased possibility of hostages and, of course, the President was always very, very concerned, as I have said, about hostage -- any American being held hostage or kept against his will anywhere in the world.

Q Whose arms were being discussed to your recollection?

A Well, I think that we would,as part of the transaction, there would be -- or part of the way of showing good faith, I believe is the expression, the way it was phrased. I had a lot of adverse comments about how you showed good faith to the Iranians and all.

One of the ways you did that was to transfer arms because that is what they wanted most. And I think I made the point, of course, that is what they wanted most, that is what we had been trying to block all over the world and things like that.

Q Do you recall -- and if you don't recall, that is fine. But do you recall whether it was U.S. arms direct to Iran that was being discussed?

A I think they were down at the January meeting to some specifics about the TOWs. I think that is when I first -- although it conceivably may have been raised by Poindexter the day before.

But I believe they were now talking about the TOW missiles in some specifics.

Q Were these U.S. TOW missiles that would be sold directly to Iran or were these --

A They were U.S. TOW missiles that would go to Iran and we knew the destination of them, yes.

Q Do you recall any discussion that it would be Israeli TOW missiles that would go to Iran and U.S. TOW missiles that would go to Israel?

CAS-20

A No. I don't recall that aspect of it. I have seen a lot about it since, but to the best of my memory, trying to go back and focus on what was discussed at that time, I don't have memory about that. But certainly I have read a lot about that.

But there is no doubt McFarlane in the initial discussions and I think later John Poindexter all emphasized the fact that this was something the Israelis were also very interested in and would work with us on, I expressed reservations about that as another of the means by which this desire to hold this very closely,which obviously was part of a whole scheme, would not be able to be realized.

Q Was it your-- I take it you said it was your impression at the end of that meeting that the President was now leaning in favor?

A Yes. Very much so.

Q But that there had not been a decision reached?

A That is correct.

Q Do you recall being told one way or the other whether there was a finding?

A No. No discussion of that.

Q No discussion of a finding?

A No discussion of that.

Q I take it you are reasonably certain of that?

A Yes. Yes. I didn't know about a finding until very much later.

Q As you may have heard, there were two findings signed, one of them on the 6th of January and one on the 17th of January?

A I have heard that, yes. I did not see it for very much longer, way past that. And the first one I was shown was not signed by the President. It was a blank finding.

Q What is your next -- what is the next event that you recall?

A The next event is that sometime after this meeting, Poindexter called and said there had been a decision and that they were going to send TOWs to Iran as part of this to get this better relationship and to show our good faith, show the negotiators of Iran that they really -- our people really represented the United States.

And I made a lot of objections and strong protests about that and was told that it was a presidential decision and that it would be necessary to proceed.

We then discussed it internally here and concluded that the only way that it could be done was to transfer it to another agency, to the CIA, which is the way covert operations are handled and that it would have to be what I called an Economy Act transfer.

That is to say, that it would have to be a transfer to another U.S. Government agency, the CIA, and

⌐AS-22

they would pay us the proper value for the TOW missiles and that they would then do whatever they did or were directed to do, but that our transfers and everything we did would be from Defense to CIA only, nothing more,and that we would have to be paid for them and it would be a legal, normal transfer of the kind that we make to other agencies on a reimburseable basis.

Q Now, was this notion of doing it as an Economy Act transfer and then as an intelligence activity, was that something that was arrived at after the decision to proceed or was it --

A Yes.

Q I want to make sure I get the full question on the record this time.

Was it something that had to be resolved before the decision could be made?

A To the best of my memory, we didn't consider the possibility of doing it at all until after the January 7 meeting and after the call from Admiral Poindexter.

And it was at that time that we started to work out how we would do it, this being a direct Presidential order.

Q Do you remember exact dates of these calls?

A No. Not really.

Q Okay. I would like to show you some things and

~AS-23

see whether it is going to help any. I promised you some PROF notes.

I want to let you look at one. They are in your book there.

Let's mark this exhibit 3.

(Exhibit No. C.W.W. 3 was marked for identification.)

end 1A

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(Discussion off the record.)

BY MR. NIELDS:

Q Mr. Secretary, I am putting in front of you a document which has been marked Exhibit 3 -- rather, it is a copy of a document marked Exhibit 3. It is one of the so-called PROF notes to Poindexter dated the 15th of January, 1986.

A 15th of January?

Q Yes. That is up in the upper right hand corner. It even tells you 101 and 6 seconds. That is the time.

A Yes. I see.

Q And it -- I will just read into the record the beginning of it. "Casey believes Cap will continue to create road blocks until he is told by you that the President wants this to move now" -- in capital letters -- "and that Cap will have to make it work. Casey points out that we have now gone through three different methodologies in an effort to satisfy Cap's concerns and that no matter what we do there is always a new objection. As far as Casey is concerned, our earlier method of having Copp deal directly with the DOD as a purchasing agent was fine. He did not see any particular problem with making Copp an agent for the CIA in this endeavor, but he is concerned that Cap will find some new objection unless he is told to proceed."

That raises a number of questions I want to ask you.

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One is, do you have any recollection of different methodologies being tried out on you and you objecting to each one?

A Well, I don't have any very specific -- this certainly is an interesting note. I hadn't seen this one before.

I think there was a proposal that we simply transfer these to Iran directly or that we give them to somebody who would do that directly, and I had some legal work going on and had some staff work going on and was pointing out that -- all the objections and all the problems to that and that we had really no way in which we would sell to Iran and that we could -- my advice was that we could sell to a government agency, the CIA, that we did covert operations this way. That is to say, when we had a regular covert operation involving maybe one of a number of countries that were all covered by findings and all, that we would transfer to the CIA and that they would then carry out the covert finding.

But I guess I was as recalcitrant here as Casey points out. I don't know. I didn't know about this. I don't know who Copp is.

Q That was going to be my next question. That is General Secord.

A I never heard of Copp.

Q That was a code name for General Secord. Were you aware that General Secord was involved in this thing at that time?

A No, not really. At some point, Mr. Armitage told me that Secord, whom I had not seen really since he retired from the Army, from the Air Force, was going to be one of the agents he used or something of that kind, and -- but I don't remember the time at which he did this. I know he was helping out -- Armitage, whom I have the greatest faith and confidence, and who worked with General Powell very closely on this, was one of the other people -- only other people in the Department who knew about it because of the White House desires to hold it so closely.

He advised me he had found out Secord was going to be involved in some way or the other.

Q Did --

A I made the continued position that the only thing I thought would do it would be to sell it to the CIA and let the CIA deal with them as they did with other covert activities.

Q What this PROF note implies is that somebody wants this transaction to happen?

A Oh, yes.

Q And that you are making legal objections?

A Yes.

mag 4

Q You were telling them no, you can not do it?

A That is right.

Q They try another way, and you still say you can not do it?

A Very recalcitrant.

Q That is also illegal.

Now, is it -- again, you may not have a recollection on this, but is it your recollection that this time period in which you are raising legal road blocks, as they call it, was after a decision in principle had been made to go forward or before?

A To the best of my knowledge, after the January 17th meeting, the first --

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Q Do you mean seventh?

A The seventh meeting. The first time we learned there was an actual decision was when Poindexter called and told me that that had happened and my memory is that that was around the 17th, the 18th, something of that kind, at which point I got General Powell in and told him that apparently that order is to be done. I was very unhappy with it.

Q Let me show you another one.

A All right.

(Exhibit No. CWW-4 was marked for identification.)

THE WITNESS: This is January 15th?

BY MR. NIELDS:

Q I put in front of you a copy of a PROF note from North to Poindexter that has been marked Exhibit 4. It is the same day but later in time. It is about 6:37 p.m. that this note is written.

At the bottom of the note, it says, "In accordance with instructions have invited Secretary Weinberger to meet with Casey in your office at 1700 on Thursday."

I should tell you that Thursday is the 16th of January. So it is the next day.

As you can see, it is all on the subject again of the TOWs and the hostages.

A The Israelis are very, very concerned they can't make a delivery of the TOWs without a promise to replenish, et cetera, et cetera. The Israelis may withdraw.

I never saw it before.

Q No. I am sure you hadn't seen it.

Again, I'm simply seeing whether this refreshes your memory and we can piece the events together using these documents.

Exhibit 3 has North telling Poindexter that somebody is going to have to tell you to stop raising roadblocks and then later in the day, apparently he has received instructions to have you come down and meet with him and Casey the next day at 5:00 in the afternoon.

A Yes. Which would have been January 16th.

Q January 16th.

A What do my diaries show?

Q Your diaries show at 5:00 p.m., you saw -- well, your handwritten calendars, which are prospective, as I understand it, show a 5:00 meeting with Poindexter.

Your actuals --

A Rubbed out everything on the handwritten notes on the calendars. Keeps getting rubbed out 22 times.

Q This one looks like it occurred. You left for the White House at 1615 and returned at 1856.

A All right. Then I wouldn't challenge that for a moment.

Q So it looks as though you did go down and actually have a meeting with Poindexter?

A It does, yes.

Q It looks as though from Poindexter's point of view the purpose of the meeting was to somehow or other remove you as a roadblock or convince you that --

A Well, I would -- that may very well have been the place at which the formal Presidential decision was conveyed to me. I don't know. It wasn't so much a roadblock. I was simply saying that we weren't going to do this in the way that if we had to do it at all, we weren't going to do it in any way that was illegal.

Q Illegal?

A I didn't know we had any direction to do it until Poindexter -- my impression was that Poindexter telephoned me and he may have telephoned before this meeting. That's the way I learned about it. But this would indicate that I attended a meeting in his office, which I did from time to time. Frequently Mr. Casey was there and so on.

Q I should tell you we have some other information and nothing is unimpeachable in this world, but we have other information that Mr. Sporkin, who was the CIA General

Counsel, attended that meeting?

A With Mr. Casey?

Q Yes. On the 16th?

A All right.

Q And with you. And that it was at that meeting that it was determined to use the Economy Act and the finding as a way of solving the --

A To the best of my memory, the Economy Act was my idea. I was familiar with it from OMB days. It seemed to me that this was important for the Department to be reimbursed for any transfers and that that was one of the requirements of transferring from one agency to another.

I don't remember meeting with Mr. Sporkin, but it is perfectly possible he was there with -- was Mr. Shultz at this meeting?

Q We have no evidence that he was there.

A In any event --

Q Mr. Sporkin --

A There was an insistence on my part, which I remember repeating many times, that we had to -- it had to be an Economy Act transfer and it should be just to CIA.

Q Sporkin has a recollection that you took the final proposal back with you and said you wanted it -- to run it past your lawyers?

A That sounds right.

Q As the record now reflects, it was on the 17th that the finding that was actually used was finally signed.

A I didn't see it.

Q I take it you can't be sure whether, as you say, the decision to proceed was communicated to you on the 16th or the 17th or earlier?

A No. No, it was in that general time.

Q I think you've put it as a fact that it was communicated to you that this was a requirement?

A A decision of the President.

Q Yes.

A Yes.

Q Does that -- is it normal that decisions are communicated to you in that fashion?

A It's not abnormal. No. Sometimes you get a decision paper. Sometimes you get an oral report of it and I knew that Mr. Poindexter met with the President every day and I knew he'd never lied to me before.

Q No, I am sorry. I am not asking my question correctly.

What I am getting at is, is there a distinction in your mind between a requirement that DoD do something and a request that it do something?

A Well, not when I'm told the President ordered it.

Q So any time the President makes a decision, it would be a requirement in your mind?

A Yes. That's right. We also had this general view at that meeting -- and as I said and recall, Mr. Sporkin wasn't there -- the general view at that meeting was this was the only way it could be done. I did as you mentioned. I said, Well, I want to consider that further and see if our people are in agreement.

Q Do you recall an issue with regard to the price that the Israelis would pay for DoD TOWs?

A No.

Q Do you recall an event in which Noel Koch came to your office in early to mid January and indicated that he had just met with the Israeli purchasing agent at National Airport and had negotiated a good price on the TOWs?

A No. No, I don't.

MR. SAXON: This would have been a meeting at which General Powell and Secretary Taft were also present.

THE WITNESS: Don't have any memory of that. I don't recall Noel Koch being very actively in this or at least at meetings. It may be that General Powell used him from time to time, but discussions I had were primarily with, as far as I can recall, with General Powell and Richard Armitage.

BY MR. NIELDS:

Q Do you recall -- does it ring any bell --

A Are you talking all the time now about sales to the Israelis?

Q I am talking about sales, as you can see from these PROF notes, there is apparently a discussion at this time of the Israelis selling to the Iranians and the U.S. replenishing the Israelis?

A Yes. I think I raised objections. Maybe this is one of those roadblocks I was supposed to have been throwing into the thing. But my feeling about that was, as I've mentioned to you earlier, that the Export Control Act doesn't permit a blanket approval in advance or anything of that kind and does not permit exports, did not permit exports to Iran, neither that Act nor some others, and did not permit the Israelis to export anything we hadn't specifically authorized.

Q So if Israel had earlier purchased weapons from the United States under the Arms Export Control Act and not pursuant to an intelligence activity, your position was that the law forbade them to transfer them to any third country without going through various kinds of waivers and reporting requirements?

A Yes. Right.

Q And --

A You said the law what? The law did not permit?

Q Did not permit. Forbade is the word I used.

A Yes.

Q My question is, do you recall that there was one of the problems that was -- that came up in connection with dealing through the Israelis was price?

A I really don't, no. I don't have a memory of that. That's not to say that wasn't the case, but I don't have any memory of it.

Q Understood.

Now, your calendars also reflect a meeting with Casey but not McFarlane early on the morning of the 17th. Do you have any recollection of that?

A Was this Friday? Was this Friday?

MR. GARRETT: It would have been Friday the 17th.

THE WITNESS: Yes. We have a regular Friday breakfast with the CIA every Friday morning.

BY MR. NIELDS:

Q You have no particular reason to suspect the subject of arms came up during that meeting?

A No. They were all very anxious to have this so closely held. I don't recall any of this -- this coming up at one of our regular breakfasts. Regularly on Friday, one week at the CIA, one week down here, we would meet for breakfast.

Q I take it once the decision to proceed under the Economy Act and a finding had been made and had been communicated to you that the President had made his decision, you implemented it?

A Yes.

Q Did you other than giving instructions to your subordinates at the very outset that weapons should be made available to CIA and DoD should be compensated for them, did you have any further involvement in the -- in any of the mechanics of supplying the weapons?

A No. I discussed with Colin Powell whether we had the stocks to do this, what would be left, whether we are depleting the stocks, what effect it would have on readiness. And emphasized that we were to be fully reimbursed and that the transfer was to be the CIA and the CIA only.

As far as I know, the matter then proceeded.

Q Were you aware one way or the other whether the [redacted] had been utilized?

A No. The only people who knew about this was -- that I knew of were General Powell and Richard Armitage. I may have known Koch had been involved or had been mentioned at one meeting, but I don't recall his being particularly present at any of them.

But the [redacted] was something totally different. The [redacted] had been set up by me internally, informally, to make sure that a situation that had arisen in the Army earlier was not repeated. [redacted]

There were then charges that some of the money had been diverted, improperly used. In the course of investigating that and finding out what kind of internal controls and audits and approvals were required, I found that we had put in a system under which the Vice Chief of Staff of the Army and others would have to pass upon these requests, that nobody could task the Army and the Army couldn't -- intelligence people couldn't come and task the Army comptroller and say we need blank dollars for a covert purpose. That there had to be prior understandings and approvals within the Department.

Some people started to call that a [redacted] [redacted] I don't quite know why. That was for this one particular purpose, and it was applicable to all services.

It was to make sure that there weren't actions being taken and funds being handed out to -- for so-called intelligence activities without any oversight or overview.

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And in this case, this was a decision by the President that there were to be sales made and our decision that they were to be made to the CIA and with full reimbursement and there wasn't any need to refer anything to anybody or anything of the kind.

Q Did there come a time or was there any time when either you or the Department, to your knowledge, was asked for an assessment of the military consequences in terms of Iran and Iraq of supplying weapons?

A I think I raised that and discussed it generally with General Powell and I think Mr. Casey, in his presentations. in his arguments in the Oval Office meetings, basically in support of this whole proposition, made the point that there would not be any significant impact on the military capabilities. It was not a major issue, but the fact was understood that these were obsolete weapons, that they are no longer in production, and that there were not a great many of them involved and that it was not -- it was not anything which would add significantly to the military capability.

The point was made frequently that they were -- the old production line had stopped -- they were no longer being made, and that they didn't add very much.

Q I take it there was no formal study or assessment done at the DoD or asked for by the White House?

A Not that I know of.

Q Now, when the newspaper articles began in November of 1986 on the subject of this initiative, did you participate in any discussions with others outside of DoD as to how the publicity ought to be handled?

A There was a meeting in the Oval Office sometime in November. Let's see.

(Exhibit No. CWW-5 was marked for identification.)

THE WITNESS: Well, it was -- I don't know. It was sometime in late November. I guess shortly after this. There was a meeting.

BY MR. NIELDS:

Q I have a document here which I have marked as Exhibit 5. My first question is, does that document record the meeting that you were just about to testify about?

A Well, this says November 10, but where did this come from?

Q It was provided to us by --

A Oh, this is my own notes of this meeting. Yes. This is a meeting at which I made notes. This would be it. That's correct. Yes. Yes. I remember that introduction. I dictated this.

Q Good. Well, actually the best thing would be for you to say simply what you remember about the meeting?

A On the basis of this memorandum, which I dictated after the meeting, I -- what took place at the meeting is what is reflected here in the memorandum here.

Q Do you have a recollection of what the central focus of the discussion was?

A Well --

Q Was it a question of how fully to report the facts to the public at the time?

A No. I think it was primarily to deal with these reports that were coming out of the Mideast which I guess had all been foreseen as one of the reasons for not doing it and more or less bringing everybody up to date. There had been no -- the hostages had not been released and we had a disclosure there had been a finding made then. Poindexter continued that we assisted Israel initially because we found Israel was sending arms to Iran [redacted] and also wanted the Iran-Iraq war to end as soon as possible.

McFarlane went to Iran in May. There -- a lot of this was the first time I had heard of that. Worked through [redacted] of Rafsanjani. Previously we used an Israeli agent called Ghorbanifar.

"[redacted] others proved no good because the Iranians always insisted that the Dawa prisoners held by Kuwait be released. We finally did authorize release of 500 TOWs sold by Israel to Iran."

Someone was giving the formal permission to Israel to re-export, I gather.

"I reminded John Poindexter he had always told me that there would be no more weapons sent to Iran, after the first 500 TOWs from us until after all of the hostages were returned, but unfortunately we did send a second 500 because it 'seemed the only way to get the hostages out,' according to Poindexter."

The memorandum goes on and speaks for itself.

Q Well, it does speak for itself.

A This is -- this was my recollection of the meeting recorded right after the meeting.

Q There appears on the basis of the memorandum to be -- to have been some issue of how fully the facts should be disclosed at the time.

A I think there was a lot of talk about how --

Q I think you seemed to be arguing that there are going to be congressional hearings anyway and that we will just get blackmailed by selective bits of information.

A Yes.

Q Do you have any recollection of that as being an issue that arose?

A I used that term, I think. I think there was also the problem of whether or not this source was any good in Iran and whether he would be -- he or they would be endangered by our admitting the allegations in the article. That's what this seems to say here.

Mr. Shultz felt the Israelis sucked us up into their operation so we could not object to their sales to Iran.

Q Did there ever come a time -- did you have any other discussions with officials outside of the Department of Defense on the subject of what should be said about the Iranian initiative?

A No. No. Until these articles appeared, the basic statements and requirements, rules, had been laid down by the White House that there wasn't to be anything said about it.

Q I mean other discussions after the articles started to come out?

A After the articles? Well, no. I think just more along this line and again going back to Poindexter and expressing unhappiness that so much had happened that we hadn't heard anything about, things like that.

Q Did -- were you ever sent a copy of proposed testimony by Mr. Casey?

A In connection with this?

Q Yes.

A No. I don't think so.

Q Were you ever sent --

A I don't believe so.

Q Were you ever sent, to your recollection, chronologies prepared by the people at the NSC, after-the-fact chronologies?

A Now I read that they had done that, that they had prepared such a chronology. I don't believe that -- when I talked to the Senate Intelligence Committee, which I believe was the first one that I talked to, I didn't have any of that -- anything of that kind. I don't have any memory of it; I did read they had prepared chronologies.

(Exhibit No. CWW-6 was marked for identification.)

BY MR. NIELDS:

Q Mr. Secretary, I am putting in front of you a document marked Deposition Exhibit No. 6. It is a letter -- a copy of a letter. It appears to be a letter from you to Secretary Shultz with a memo attached.

My first question is --

A "Attached is a memorandum about which I feel very strongly. I think the memo discusses a very bad business. I hope we will have an NSPG to prevent what I see is substantial further damage that can come to the administration in the continuation of the same practices that have caused so much of the trouble we are experiencing now.

"It is particularly unfortunate the State Department's public statements are now denying that we are continuing contacts with the Iranian government through third-country representatives, which is true only in the most technical sense of terms, and which I am afraid will cause further adverse reactions when the truth is known."

This is a memorandum of mine of December 22 attached to this.

Q I take it the front page of Exhibit 6 is a copy of a letter from you to Secretary Shultz?

A Yes, indeed. Right.

Q The attachment is a memorandum also by you?

A Yes.

Q Which relates to it?

A Yes. It is signed by me.

Q It raises vigorous objection both to continuing meetings with Iranians and to the fact that you have not been advised of it?

A I was astounded therefore to learn on Friday, December 19, after my testimony to the congressional committee, we had stopped all of this, that U.S. negotiators were still meeting with the same Iranians. I learned this not from our State Department or from anyone [redacted] I was finally advised we did have a negotiator, namely Mr. Raphael of the State Department probably negotiating with the same elements in the Iranian group.

"I was told that we were no longer talking with them about selling them arms and I hope this is true, but I have no way of knowing if it is."

This was a memorandum from me to the then acting National Security Adviser, Mr. Al Keel.

Yes. This is my memorandum and my letter.

Q I take it just in substance, it raises objection to both the fact that you were excluded from the process and to the fact that the process was going on?

A The process was going on. The exclusion wasn't the problem. The problem was that I testified to the direct contrary on the Senate committee that we had stopped all this and then learned that some of it was still going on.

"I am sorry to be so blunt about it, but it seems to me to be incredibly wrong that the precise mechanisms of secrecy and attempts to exclude advisers who, it is feared, may have different views, which helped cause so many of our present difficulties, are apparently being pursued by the State Department at this time.

"I have now learned, thanks to your forthcomingness with me, and by reason of our investigations, that McFarlane had actually offered the Iranians sensitive intelligence information, passed by the U.S. as to Iraq, and that State plans another meeting with the Iranians on December 27 in Geneva. I urgently urge no such meetings be permitted . . . " so on and so on.

Yes.

Q Do you recall learning at some point that [redacted] or some people connected with [redacted] provided funds for the contras?

A No. I don't have any memory of any contra funding or of anything connected with [redacted] that I can remember now.

What have you got?

MR. NIELDS: Let's mark it.

(Exhibit No. CWW-7 was marked for identification.)

BY MR. NIELDS:

Q I know it is difficult to read. I have marked as Exhibit 7 a memorandum for the record from the CIA dealing with a --

A From the CIA?

Q Yes. This is -- in fact, John McMahon wrote the memo. There are a number of topics blanked out, but on the second page, the last sentence, it says, "In closing, the Secretary" -- and that would appear to be you -- "stated that he had heard that [redacted] had earmarked $25 million for the contras in $5 million increments."

A I don't have any memory of that. This is a note from whom to whom?

Q This is a memorandum from John McMahon to the file relating to a breakfast meeting with you and the deputy secretary of Defense on the 15th of March, 1985.

A "The Secretary stated he had heard that [redacted] had earmarked $25 million."

I have no memory of it. I don't know what the basis for that would have been.

Q Would -- could that possibly have come to you --

A What was the date of this?

Q Fifteen March, 1985.

MR. GARRETT: Fifteen March, 1985.

THE WITNESS: Fifteen March, '85?

BY MR. NIELDS:

Q Yes.

A I just don't remember that at all. This is long before any of this other. I don't have any memory of it.

Q This is a little over two years ago now.

A Yes.

Q Is [redacted] someone that you spoke to from time to time?

A From time to time. [redacted]

Q Do you recall [redacted]

A Yes. Yes. We -- I don't know what time it was. I can get that from our records. [redacted]

Q Was [redacted] involved in the negotiating process?

A I am sure he was. Yes. He was [redacted] I guess, at that time.

Q Do you recall there being any discussion about funding for the-contras arising in connection with the

[redacted]

A No. No. [redacted] But I don't have any memory of it.

[redacted]

Q Do you maintain or does anyone maintain on your behalf any kinds of records of telephone conversations, for example?

A Oh, I think the offices does, yes. They keep records of telephone conversations. I mean, they have records of people to whom they go.

Q Right.

A I think they do have that. I think they are comparable to these records you have shown me about the -- my whereabouts from time to time.

Q That would be very helpful, particularly in that November, '85, time frame.

A All right. Let's take a look. Who do you want to see if I called?

Q Either people in the NSC?

A November, '85?

Q Yes.

A Or '86?

Q '85.

A November, '85. All right.

Q In particular, I think it would be useful if there is -- if there is a -- if there is such a log or records to have it for the same time frame that we have these appointment calendars, but that's the time period that is of greatest interest to us, I would say.

A November, '85?

MR. GARRETT: John, may I make a comment for the record? We have requested telephone logs. We talked to C&D?

MR. SHAPIRO: Executive secretariat.

MR. GARRETT: They advised us in writing the memo telephone logs were not maintained. That's why they were not produced.

We will go back and visit that issue. It should go on the record that that was a reply we received.

THE WITNESS: I --

MR. SHAPIRO: Is that accurate?

THE WITNESS: I am told that lists of -- I am very, very -- try to be meticulous about returning calls. I think there may be some kind of record kept of calls that need to be returned or something like that. I don't have any memory of it. I have not seen it.

BY MR. NIELDS:

Q Okay. How about --

A I hadn't seen a lot of these whereabouts sheets before all this either.

Q We have gone over a number of meetings?

A Yes.

Q Of course, your recollection is better on some and fainter on others.

A Yes.

Q Is there any way that you have of making a record of the highlights of meetings of this nature?

A Now?

Q No, then.

A No. There wasn't. I did dictate a memorandum on this particular one, but I've often said that I understand that Henry Kissinger made a memo of every meeting he ever attended and that enabled him to write his book rapidly. I wish I had done that with day one of the administration. I am usually getting ready for the next meeting and don't have time to write these memorandums. I took notes about this one and dictated this memorandum because it seemed to be important.

Q Do you ever take notes that are not dictated or make jottings when you get back?

A Yes, occasionally, but comparatively rarely. I don't know we kept those in any formal way. I don't think they have been filed or labeled. My handwriting is notoriously bad. I have trouble even reading it myself. Occasionally take a few notes, but not really very often.

Q If there is any chance there are --

A I think we made this examination and whatever there is is in our so-called C&D, correspondence and directives. They have been asked to paw through everything.

Q Do you ever give something by the way of debriefing or briefing to aides?

A Yes.

Q Immediately following a meeting of this nature?

A Yes. And did so on a couple of these matters. With General Powell, particularly, where we came back and were told that we had to make this sale and so on by Presidential direction. Yes. We do that on other occasions when action is called for usually.

Q Would he have, as a practice, make a record of what you tell him?

A I don't know. We had the meetings. What I told him was always done. So in one way or the other, he either had a very good memory or he was able to accomplish these things.

Q Are you aware of any other potential source of -- that might be -- have made a record that might supplement your memory of some of these meetings?

A Well, I don't really think of anything. We could paw through everything again. We have done that, I think, pretty well.

MR. SABA: Is there a record of all people who come to your office, day and time?

THE WITNESS: There may very well be.

MR. SABA: So if someone passed through the front office, there would be a record of somebody passing through the front office?

THE WITNESS: There may very well be. I have not seen it. But they may keep records out there.

BY MR. NIELDS:

Q I didn't see anyone making a record of us coming in today.

A Well, that would be the acid test.

MR. NIELDS: Well, I have nothing further.

I very much appreciate your responses. I think that the Senate counsel, and I don't know whether our Minority has any questions.

MR. GENZMAN: Just a couple of quick ones.

EXAMINATION ON BEHALF OF

THE HOUSE SELECT COMMITTEE

BY MR. GENZMAN:

Q Mr. Secretary, I heard you say earlier there was no formal assessment done on the possible effect of this weapons transfer. Was any required to be done in your opinion?

A I was not asked for one. In the normal course I would not have been. That would go to -- a request like that would go to the CIA. When I say formal assessment, I mean obviously a formal product of the Intelligence Community. We discussed it informally here. I discussed it with General Powell, I believe with Mr. Armitage in an informal way, and was advised that because of the age and basic lack of capability of these weapons, there wasn't a significant military advantage. But that was not an intelligence assessment by any means and I don't know of any -- whether there was any formal request made to the CIA for that or not. I do not know of any.

Q Also, sir, regarding Exhibit 6, I heard you say that you raised objections to the fact that there were continuing negotiations with the Iranians.

A Yes. Yes.

Q Because you had testified to the contrary?

A Oh, yes. That's the letter to Mr. Shultz.

Q To Mr. Shultz.

A Here it is.

Q Just so the record is clear, at the time you testified to the contrary, did you have any knowledge of these continuing negotiations?

A Oh, no. No. That was my point. I said I had assumed -- when the President announced in late November or early December all further arms shipments had ceased and after it became apparent the channels we were using to discuss hostage releases and other matters with the Iranians were at the very least ineffective and, as is easily apparent now, totally counterproductive, I had assumed we were finished with that entire Iranian episode and so testified to the congressional committees during last week.

I was astounded, therefore, to learn on Friday, December 19 after my testimony, the negotiators were still meeting with the Iranians.

No.

Q You had no knowledge of any negotiations of any sort?

A I thought finally we had finished with them.

MR. GENZMAN: Thank you. I have no further questions.

EXAMINATION ON BEHALF OF

THE SENATE SELECT COMMITTEE

BY MR. SAXON:

Q We have been talking about things provided and things that haven't. Your calendars which have been referred to today and entered as exhibits by the House were something the Senate has asked for since early April. I believe the date was April 4. They have yet to be provided.

Just for the record, I think that should be noted.

A I thought this was a joint operation.

Q We have not received them, sir. It would have been useful for this purpose.

MR. SHAPIRO: For the record, the materials you requested on April 4 are different from the materials that the House requested late last week, and which were provided yesterday.

MR. SAXON: The materials on April 4 asked for all diaries, calendars, et cetera.

MR. SHAPIRO: They were strictly limited by subject matter. I think rather than further discussing it here, we can resolve it later.

BY MR. SAXON:

Q Mr. Secretary, were you informed in January of '86 by either General Powell or Noel Koch that Mr. Koch was involved in negotiating price for the TOW missiles with the Israelis up from a level that Michael Ledeen negotiated at $2500?

A No. No. I have no memory of that at all nor of Mr. Ledeen until much later.

Q Were you informed that Mr. Koch had negotiated the price up to $4500?

A No.

Q Do you recall a meeting in your office with Secretary Taft, General Powell, and Mr. Koch in which the legality of this operation was discussed, the transfer of the TOWs? This would be January, '86, sir.

A January, '86?

Q Yes, sir.

A No, not really. As a matter of fact, I don't recall any meetings with Mr. Taft on the subject. But I raised legal questions myself and we were told that the transfer to the CIA under the Economy Act and all -- had information that that was a legal way and indeed so far as my memory is concerned, that was the only legal way the matter could be done.

Q Do you recall Mr. Koch asking you if anyone could go to jail because of this operation?

A No.

Q Do you recall telling him --

A I don't recall Mr. Koch being that heavily involved in this at all. I think General Powell had talked with him once or twice, but I don't recall -- I don't recall his being active in the thing at all.

Q No discussion along those lines that you recall?

A No. Nothing with regard to that, no.

Q With regard to the decision to use the Economy Act, Mr. Nields asked you some questions in the January, '86, time frame about how that decision might have been made.

A Yes.

Q Do you recall having been provided any input from either General Powell or Noel Koch to the effect that when the numbers of missiles that were being requested were looked at and the prices were looked at, that there was no way that these could be provided under the $14 million threshold for purposes of reporting to Congress?

A Well, it was apparent that that -- that the value of the weapons systems was such as that, but there was an oral opinion from the Attorney General given to the President in my hearing that these rules basically didn't apply, that there were other Presidential authority that existed, that he could use to make these kinds of transfers.

Q This would have perhaps been a discussion before

22

those decisions were reached.

Internally, when the Pentagon was taking a look at what was available and what the price would be, was there a decision made that the best way to go was the Economy Act and to transfer these TOWs to the CIA because that would eliminate the need to notify Congress?

A No. The reason for the sale to the CIA as opposed to Iran was because that that was the way in which covert activities were handled and that that was the way that was recommended as the proper way to do this and the legal way to do it, and my memory is that I am the one who urged the use of the Economy Act and that we would have to be reimbursed the value of these by CIA and it would be our sale to them that would be a straightforward sale to them, and that they would have to pay us and that would end it as far as we were concerned.

Q Mr. Secretary, do you recall telling General Powell that you thought the Israelis were -- or that intermediaries were making a killing on the TOW missiles?

A No.

Q Meaning that they were making a profit?

A No. This whole business obviously came up later in all the discussions, and I read about it in the papers and all of that. There wasn't any discussion I remember of any kind other than the fact that we had to get value, not more value or anything else, certainly not less, but value for the TOWs and that that was being negotiated by our people in the Army who owned the TOWs and the CIA and that this was not all that unusual, that in support of other covert actions and operations, that was the way the transfers had been made.

Q Sir, with regard to the January 17 finding, Presidential Finding, do you have any recollection of whether you were involved in recommending that the words "third party" be inserted into the finding?

A No. The finding I didn't see until very much later and I did not know of its actual existence, to the best of my memory. I was told about it -- when I was told about it sometime, oh, maybe as late as April or something of that kind, they -- the one that was shown to me, I believe by Mr. Keel -- I am not sure -- was not signed by the President. And I made that point.

He said, "Well, this is just an office copy."

Q Do you recall being told by Admiral Poindexter in mid May of 1986 that Mr. McFarlane was to be going to Tehran?

A Mid May of '86?

Q Yes, May 19. Do you have any recollection that you knew about the McFarlane Tehran trip before it took place?

A No. No. There was a -- there was a discussion afterwards and McFarlane in that post-meeting discussion, post-trip discussion, to the best of my memory, indicated it had been very unsatisfactory and unsuccessful.

Q Who do you recall having that discussion with?

A I think that was a report that McFarlane was giving. Whether it was in the President's office or not, I don't remember. Some kind of gathering such as that.

Q Sir, I believe it is correct that Admiral Crowe, the Chairman of the Joint Chiefs of Staff, was not knowledgeable of the Iranian initiative and the TOWs and Hawk repair parts to Iran; is that correct?

A That is correct. To the best of my knowledge. He may have known about it. I did not talk with him about it.

Q Do you recall when he found out about this in late June or early July of 1986 and coming to see you to register his dissatisfaction at not having been brought in?

A No. Not in that form. I don't remember when he knew about it.

Our instructions from the President were to hold the thing very closely and not to involve anybody or bring anybody in who hadn't been in the original discussions. It was not an operational matter in the sense that it would have involved the Joint Chiefs and it was -- they were not, in a sense, not authorized to discuss it. I don't recall any time at which he came and complained about that.

I think it was in November when the first article appeared and when the discussions were held.

Q I believe I am correct in saying that in early November of 1986 -- and you wouldn't necessarily have any independent knowledge of this -- Secretary Shultz cabled Admiral Poindexter saying that these matters, once it began to be known about the Iran initiative and arms to Iran, that these should be publicly disclosed.

Do you recall a phone call from Admiral Poindexter that was triggered by Secretary Shultz' cable in which Admiral Poindexter sought your opinion on that?

A Yes, I do remember something about that. I don't remember what the outcome was, but I remember he called and George Shultz was overseas and he had -- he was I guess responding to a suggestion there should be a full publication or something of that kind.

Q If I told you there's at least one account that says you counseled a closed-mouth strategy on this to Admiral Poindexter, would that sound correct?

A No, it doesn't sound correct. The only points at which I would be worried about disclosure were, of course, anything that involved either the hostages or our own military attempts to deal with the problem. I don't have any idea what a closed-mouth strategy means. This was the expression used, I take it.

Q That's the characterization, yes, sir.

A I don't have any memory of counseling that. I think that the outcome of that phone call that you mentioned to me a moment ago was that I thought we should have a meeting on the subject and discuss what these articles were saying.

I have never seen the articles. These were from these Mideast magazines or something. They were being reprinted here. I don't have any recollection of urging a closed-mouthed strategy or anything of that kind.

MR. SAXON: Mr. Secretary, I have nothing further. I associate myself with Mr. Nields' comments earlier. The Senate appreciates your time.

THE WITNESS: Thank you very much.

MR. KREUZER: Are the lawyers through? Can I ask my question now?

MR. NIELDS: Is there one?

MR. KREUZER: I have one.

EXAMINATION ON BEHALF OF
THE HOUSE SELECT COMMITTEE

BY MR. KREUZER:

Q Sir, subsequent to the 16th or the 17th of January when it was decided that the sale was going to occur with the TOWs, you mentioned that you started giving orders that this would be an Economy Act transfer?

A Yes.

Q And at some point in time, there was a meeting in the Oval Office with Mr. Casey? Did you say that? There was a meeting in the Oval Office --

A No. I thought you showed me some papers that said I was asked to come to a meeting with Mr. Casey in Admiral Poindexter's office.

Q Was that -- I believe that was the place where there was a discussion about impact on readiness? Did Mr. Casey make -- I have in my notes Mr. Casey commented there would be no impact on readiness resulting from the sale of these TOWs?

A No. I talked with our own people about the impact on readiness and whether or not we would have enough left and what our stocks were, and was told at that time that we had very substantial stocks but that it was an obsolete weapon, no longer being manufactured. And that the basic impact on our readiness would not be in any way severe or in any way marked. But those were discussions that I had with General Powell and I think Mr. Armitage here in the building.

Q So that was decided here. I'll change my notes.

A As far as I remember, yes. I don't recall anything about the other. The other meeting was apparently mostly to discuss the -- remove my roadblocks, as it was phrased in one of these memorandums, and to discuss proper ways to make the transfer.

Q Thank you.

THE WITNESS: Have we got a schedule now of any of the next events on any of this?

MR. NIELDS: I think we can go off the record now.

(Discussion off the record.)

(Whereupon, at 1:00 p.m., the deposition was adjourned.)

nd emm

18 Jun

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OFFICE OF THE SECRETARY OF DEFENSE
THE MILITARY ASSISTANT

18/6

SEC DEF
HAS SEEN
JUN 18 1985

SEC DEF,

This came in "Eyes Only" for you. After you have seen recommend I pass to Rich Armitage for analysis.

This is almost too absurd to comment on - by all means pass it on to Rich - but the assumption here is 1) that Iran is about to fall & 2) we can deal with that on a rational basis - It's like asking Qadhafi to Washington for a cozy chat

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D 90

EYES ONLY

OFFICE OF THE SECRETARY OF DEFENSE

THE MILITARY ASSISTANT 19 Jun 85

NOTE FOR USD(P)
ASD(ISA)

Yours for action. See my recommendation and SecDef's comment on the attached. SecDef's comments read as follows:

"This is almost too absurd to comment on. By all means pass it to Rich, but the assumption here is: 1) that Iran is about to fall, and 2) we can deal with that on a rational basis. ~~[illegible]~~ like asking Qadhafi to Washington for a cozy chat."

Colin L. Powell
Major General, USA
Senior Military Assistant
to the Secretary of Defense

cc: DepSecDef

EYES ONLY

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[redacted]

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[illegible]

D 91

THE WHITE HOUSE

WASHINGTON

June 17, 1985

SEC DEF
HAS SEEN
JUN 18 1985

SECRET/WITH
TOP SECRET ATTACHMENT

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

SUBJECT: U.S. Policy Toward Iran (S)

The Director of Central Intelligence has just distributed an SNIE on "Iran: Prospects for Near-Term Instability", which I hope you have received. This SNIE makes clear that instability in Iran is accelerating, with potentially momentous consequences for U.S. strategic interests. It seems sensible to ask whether our current policy toward Iran is adequate to achieve our interests. My staff has prepared a draft NSDD (Tab A) which can serve to stimulate our thinking on U.S. policy toward Iran. I would appreciate your reviewing the draft on an eyes only basis and providing me with your comments and suggestions. I am concerned about the possibility of leakage should we decide not to pursue this change in policy with the President. If you feel that we should consider this change, then I would refer the paper to the SIG(FP) in preparation for an NSPG meeting with the President. (S)

Bud

Robert C. McFarlane

~~Partially~~ Declassified/Released on 29 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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NSC/ICS 40201

THE WHITE HOUSE
WASHINGTON

DRAFT

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NATIONAL SECURITY DECISION DIRECTIVE

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U.S. Policy Toward Iran

Dynamic political evolution is taking place inside Iran. Instability caused by the pressures of the Iraq-Iran war, economic deterioration and regime infighting create the potential for major changes in Iran. The Soviet Union is better positioned than the U.S. to exploit and benefit from any power struggle that results in changes in the Iranian regime, as well as increasing socio-political pressures. In this environment, the emergence of a regime more compatible with American and Western interests is unlikely. Soviet success in taking advantage of the emerging power struggle to insinuate itself in Iran would change the strategic balance in the area. [redacted] While we pursue a number of broad, long-term goals, our primary short-term challenge must be to block Moscow's efforts to increase Soviet influence (now and after the death of Khomeini). This will require an active and sustained program to build both our leverage and our understanding of the internal situation so as to enable us to exert a greater and more constructive influence over Iranian politics. We must improve our ability to protect our interests during the struggle for succession.

U.S. Interests and Goals

Partially Declassified/Released on 29 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

The most immediate U.S. interests include:

(1) Preventing the disintegration of Iran and preserving it as an independent strategic buffer which separates the Soviet Union from the Persian Gulf;

(2) Limiting the scope and opportunity for Soviet actions in Iran, while positioning ourselves to cope with the changing Iranian internal situation;

(3) Maintaining access to Persian Gulf oil and ensuring unimpeded transit of the Strait of Hormuz; and

(4) An end to the Iranian government's sponsorship of terrorism and its attempts to destabilize the governments of other regional states.

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We also seek other broad and important, if less immediately urgent, goals.

(1) Iran's resumption of a moderate and constructive role as a member respectively of the non-communist political community, of its region, and of the world petroleum economy;

(2) continued Iranian resistance to the expansion of Soviet power in general, and to the Soviet occupation of Afghanistan in particular;

(3) an early end to the Iran-Iraq war which is not mediated by the Soviet Union and which does not fundamentally alter the balance of power in the region;

(4) elimination of Iran's flagrant abuses of human rights;

(5) movement toward eventual normalization of U.S.-Iranian diplomatic consular and cultural relations, and bilateral trade/commercial activities;

(6) resolution of American legal and financial claims through the Hague Tribunal; and

(7) Iranian moderation on OPEC pricing policy.

Many of our interests will be difficult to achieve. But given the rapidity with which events are moving, and the magnitude of the stakes, it is clear that urgent new efforts are required. In moving forward, we must be especially careful to balance our evolving relationship with Iraq in a manner that does not damage the longer term prospects for Iran.

Present Iranian Political Environment

The Iranian leadership faces its most difficult challenges since 1981. The regime's popularity has declined significantly in the past six months, primarily because of intensified disillusionment with a seemingly unending war, the continued imposition of Islamic social policies on a population increasingly reluctant t accept such harsh measures, and a faltering economy brought on primarily by declining oil revenues. The impact of these problems is intensified by the realization that Ayatollah Khomeini's mental and physical health is fragile, which in turn casts a pall of uncertainty over the daily decision-making process.

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Unless the acceleration of adverse military, political and economic developments is reversed, the Khomeini regime will face serious instability (i.e. repeated anti-regime demonstrations, strikes, assassination attempts, sabotage and other destabilizing activities throughout, increasingly involving the lower classes) This condition will sap officials' energies and government resources, intensifying differences among Iranian leaders as the government tries to avoid mistakes that would provoke popular upheaval and threaten continued control.

While it is impossible to predict the course of the emerging power struggle, it is possible to discern several trends which must be accounted for by U.S. policy. As domestic pressures mount, decision-making is likely to be monopolized by individuals representing the same unstable mix of radical, conservative and ultra-conservative factions that now control the Iranian government. The longer Khomeini lingers in power, the more likely the power struggle will intensify, and the greater the number of potential leaders who might affect the outcome of the struggle.

The ultimate strength of various clerical groups and the power coalitions they may form are not known. However, the weaknesses of various opposition groups -- inside Iran and abroad -- are evident, especially the lack of a leader with sufficient stature to rival Khomeini and his ideas. The most likely faction in a power struggle to shift Iranian policy in directions more acceptable to the West -- should their influence increase -- are conservatives working from within the government against the radicals. Radicals within the regime, and the leftist opposition, are the groups most likely to influence the course of events in ways inimical to Western interests.

The Iranian regular armed forces represent a potential source of both power and inclination to move Iran back into a more pro-Western position. Representatives of every faction inside and outside the regime recognize the potential importance of the military and are cultivating contacts with these forces. However, as long as the Army remains committed in the war with Iraq it will not be in a position to intervene in Tehran.

The other instrument of state power, the Revolutionary Guard, is becoming increasingly fractured. It will probably come apart following Khomeini's death, and might even engage in a major power struggle before then. In any scenario, the Guard will be at the center of the power struggle.

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The Soviets are well aware of the evolving developments in Iran. They will continue to apply carrot-and-stick incentives to Iran in the hope of bringing Tehran to Moscow's terms for an improved bilateral relationship that could serve as a basis for major growth in Soviet influence in Iran. Moscow will clearly resist any trend toward the restoration of a pro-Western Iranian government.

Despite strong clerical antipathy to Moscow and communism, Tehran's leadership seems to have concluded that improvement of relations with the Soviet Union is now essential to Iranian interest. They do not seem interested in improving ties with us. This Iranian assessment is probably based on Tehran's view of what Moscow can do for -- and against - Iran rather than on an ideological preference to conduct relations with Moscow. The USSR already has much leverage over Tehran -- in stark contrast to the U.S.

Moscow views Iran as a key area of opportunity. [redacted] In return, Moscow is certain to offer economic and technical assistance, and possibly even military equipment. While they have heretofore balked at providing major weapon systems, the Soviets might relax their embargo if the right political opportunities presented themselves. While Moscow would probably not act in a manner that severely disrupts its relations with Baghdad, given Iraq's dependency on the USSR for ground forces equipment, Moscow possesses considerable room for maneuver if it senses major openings in Tehran for the establishment of a position of significant influence.

Moscow may also pursue a strategy based on support of separatist movements. The Soviet Union has had ample opportunity to cultivate the ethnic groups that cut across the Soviet-Iranian border. Most ethnic groups are unlikely to challenge the central government in Tehran as long as they fear severe reprisals. But in the areas of Iran adjacent to the Soviet border, the Soviets can provide a security umbrella to protect rebellious ethnic groups from reprisals.

The U.S. position in Tehran is unlikely to improve without a major change in U.S. policy. The challenge to the U.S. in the post-Khomeini period will be severe. Any successor regime will probably seize power in the name of Islam and the revolution and

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can be expected to have a built-in anti-American bias. A more conservative regime, still Islamic, might lessen the emphasis on revolution and ~~terrorism and could move cautiously~~ toward a more correct relationship with the U.S. On the other hand, radical forces will try to exacerbate anti-American feelings to strengthen their own positions at the expense of the conservatives.

Our leverage with Iran is sharply reduced by the current degree of hostility that springs from the ideology of the radical clergy, especially as it serves their foreign policy goals. Moreover, the moderate and conservative elements of the clergy may also share the radicals' belief that we are inveterately hostile to the Islamic government, making accommodation with the U.S. impossible. The clerical regime continues to believe that the U.S. has not accepted the revolution and intends to reverse the course of events and install a puppet government. This perception has been reinforced by our restoration of diplomatic relations with Iraq, efforts to cut the flow of arms to Iran, and direct threats of military action in retaliation for Iranian-inspired anti-U.S. terrorism.

U.S. Policy

The dynamic political situation in Iran and the consequences for U.S. interests of growing Soviet and radical influence, compel the U.S. undertake a range of short- and long-term initiatives that will enhance our leverage in Tehran, and, if possible minimize that of the Soviets. Particular attention must be paid to avoiding situations which compel the Iranians to turn to the Soviets. Short-term measures should be undertaken in a manner that forestalls Soviet prospects and enhances our ability, directly and indirectly, to build U.S. and Western influence in Iran to the maximum extent possible in the future. Planning for the following initiatives should therefore proceed on a fast and longer-term track. The components of U.S. policy will be to:

(1) Encourage Western allies and friends to help Iran meet its import requirements so as to reduce the attractiveness of Soviet assistance and trade offers, while demonstrating the value of correct relations with the West. This includes provision of selected military equipment as determined on a case-by-case basis.

[redacted]

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TOP SECRET interests are somewhat generalized

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(3) Increase contacts with allies and friends [redacted] on the evolution of the Iranian situation and possible means for influencing the direction of change, and be ready to communicate with Iran through these or other countries [redacted]

specific?

(4) Take advantage of growing political fragmentation by:

-- discreetly communicating our desire for correct relations to potentially receptive Iranian leaders; ②

-- [redacted]

-- providing support to elements opposed to Khomeini and the radicals.

(5) Avoid actions which could alienate groups potentially receptive to improved U.S.-Iranian relations.

B (6) Respond to Iranian-supported terrorism with military action against terrorist infrastructure.

(7) Enhance our effort to discredit Moscow's Islamic credentials with a more vigorous VOA effort targeted on Iran.

(8) Develop action plan in support of the basic policy objective, both for near-term contingencies (e.g. death of Khomeini) as well as the long-term restoration of U.S. influence in Tehran.

(9) With respect to the Gulf war:

-- Continue to encourage third party initiatives to seek an end to the war;

-- Increase military cooperation with Gulf Cooperation Council countries, and bolster U.S. military capabilities in the Gulf area to enable CENTCOM to be fully capable of carrying out its mission; and

-- Seek to curb Iran's collaboration with its radical allies (i.e. Syria and Libya).

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-- [redacted] ways to establish contacts with "moderates" [redacted] seek [redacted] who play important roles in the administration of Islamic rule but who also favor policies more favorable to US and Western interests. [redacted]

Political

-- Through contacts with allies and friends, we should discreetly communicate our desire for correct relations to potentially receptive Iranian leaders based on their renunciation of state-supported terrorism, their willingness to seek a negotiated settlement to the Iran-Iraq war, their non-interference in other states' affairs, and their cooperation in settling US-Iranian claims in the Hague Tribunal.

-- Maintain our neutrality in the Iran-Iraq war while encouraging third party initiatives to end the conflict and increasing political-military cooperation with Gulf Cooperation Council countries.

-- In light of recent evidence that our allies continue to permit sporadic transfers of militarily useful equipment to Iran and that negotiations may be taking place between commercial firms and Iranian officials, we should increase the pressure on our allies by considering public statements and possible sanctions.

Public Diplomacy

-- Our public statements on Iran should bring pressure to bear squarely where it is needed--on the current Iranian regime. In tone, our public position must avoid casting Iran as a country and the Iranian people and culture, as well as Shia Islam, as the enemy, but should emphasize opposition to the policies of the present Iranian government and the corrupt mullahs inside the government. Our statements should aim to encourage those elements in Iran who disagree or oppose regime policies.

Economic

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-- A full range of US export controls are already in effect. [redacted] We should reassess the effectiveness of present controls in curbing all but strictly civilian exports.

-- In conjunction with discreet political contacts proposed above, we could suggest to the Iranians that correct relations would include relaxation of current US trade restrictions and normal trade relations with an Iranian government that is not hostile to US interests.

(TS) I concur with the balance of the recommendations in the draft NSDD in so far as they support current US policy. My recommendations reflect my very strong view that US policy must remain steadfast in the face of international lawlessness perpetrated by the Iranian regime. Changes in policy and in conduct, therefore, must be initiated by the Iranian government. By remaining firmly opposed to current Iranian government policies and actions, yet supportive of moderation and a longer term improvement in relations, we can avoid the future enmity of the Iranian people and develop the leverage necessary to counter a possibly very dangerous increase in Soviet influence. In particular, we need to be prepared for a possible period of turmoil as the regime begins to change, by building up effective instruments of influence and access to people and organizations within Iran, so as to counter a Soviet attempt to promote a pro-Soviet successor regime.

cc: Secretary Shultz

100

12 Dec 86

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DEFENSE SECURITY ASSISTANCE AGENCY

12 Dec 86

Memo For: Record

The attached talking points were prepared by me, as Acting Director, DSAA, on or after 19 November 1985, at the request of Noel Koch and Gen. Colin Powell (then Mil. Asst. to SecDef). They were furnished to Mr. Koch to take to Gen. Powell.

H Gaffney

Dr Hine

695-5459

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[redacted] Declassified/Released on 29 Jan 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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added (NRC cost,
charges, plus

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[illegible]

-- It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fascell and their minority counterparts, they might agree to splitting the sale into smaller packages.

- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

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Hawk Missiles for Iran

- Missiles are available right now, suitable for foreign sale. There are 124 missiles at Red River Arsenal -- 77 intended for UAE and 47 for Korea. Seven of these are intended for tests, but the tests can be foregone.

- The missiles at Red River Arsenal cost $300,000 apiece. This is not necessarily a firm price, and replacements could cost as much as $437,500 apiece.

- Thus, the total bill for 120 missiles would be $36-52.5 million. To this, applicable charges would have to be added (NRC cost, administration charge, packing and transport charges, plus storage).

- The missiles for Korea and UAE would have to be replaced, so DSAA will need the money to replace them.

- The modalities for sale to Iran present formidable difficulties.

  -- Iran is not currently certified for sales, including indirectly as a third country, per Sec. 3 of the AECA.

  -- Congress must be notified of all sales of $14 million or more, whether it is a direct sale or indirect to a third country. The notice must be unclassified (except for some details), and the sale cannot take place until 30 days after the notice. The 30 days can be waived for direct sales, but the third country transfer has no such provision, and notice must still be given in any case.

  -- Thus, even if the missiles were laundered through Israel, Congress would have to be notified.

- It is conceivable that the sale could be broken into 3 or 4 packages, in order to evade Congressional notice.

  -- While there is no explicit injunction against splitting up such a sale (subject to check...), the spirit and the practice of the law is against that, and all Administrations have observed this scrupulously.

  -- It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fascell and their minority counterparts, they might agree to splitting the sale into smaller packages.

- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

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The political drawbacks are equally formidable:

-- If Iraq ever found out, they would be greatly irritated. Their sources of supply are more readily accessible than Iran's, however, so there would be no effect in that respect.

-- Saudi Arabia and the other Gulf States would also be irritated and alarmed.

-- If Israel were used as the laundering country, they would be greatly encouraged to continue selling to Iran, and to expand their sales.

-- If the sale became known, all bars would be removed from sales by such countries as Spain, Portugal, Greece, UK, Italy, and FRG, countries who are only barely restrained from overt, large sales to Iran now.

-- In short, the risk is that of prolonging and intensifying the Iran-Iraq war, while seriously compromising US influence over Israel and other countries to restrain sales to Iran.

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✓ What worldwide stocks (in other contries)

DEFENSE SECURITY ASSISTANCE AGENCY

Memo For

· 500

· From where?

Conceal ult. destinations

✓ · Cost?

✓ How do I legally transfer? What notice? Break into small pkgs?

$, quant., detailed descrip., sensitive technology.

· ✓ What contries can't I legally transfer to?

Reporting Rq. (3d)

Would we have to tell congress before?

✓ What other contries might be sources?

How quick?

✓ If gave what 3'd ctry?

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[redacted]

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1. Find $m
2. When available?
3. Notify Congress
4. Prepare LOA

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[redacted]

$$\begin{array}{r} 120 \\ 77 \\ \hline 43 \end{array}$$ UAE produced

$$\begin{array}{r} 120 \\ 300 \\ \hline 36000 \end{array}$$

146K each

[redacted]

Red River
Arsenal 77 (of which 3 test)
(Texas-Ark) 87 (of which 4)
164 (300K)

[redacted]

1. Find 'em
2. When available?
3. Notify Comm.

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[redacted]

1. 100 to Israel shipped two weeks ago

2. 11 to [illegible] others [illegible]

CF.

CF.

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[redacted]

15 Jan 86

From: NSOLN --CPUA
To: NSJMP --CPUA

Date and time 01/15/86 13:31:26

*** Reply to note of 08/31/85 13:26

11[illegible]

N 28733

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NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Continuation of last note (hit SEND when I meant to hit ADD LINES) ... Casey believes that Cap will continue to create roadblocks until he is told by you that the President wants this to move NOW and that Cap will have to make it work. Casey points out that we have now gone through three different methodologies in an effort to satisfy Cap's concerns and that no matter what we do there is always a new objection. As far as Casey is concerned our earlier method of having Copp deal directly with the DoD as a purchasing agent was fine. He did not see any particular problem w/ making Copp an agent for the CIA in this endeavor but he is concerned that Cap will find some new objection unless he is told to proceed. Colin Powell, who sat next to me during Cap's speech asked the following questions (my answers are indicated):

Q. Does Copp deal w/ Iranians or Israelis?
A. With the Israelis.

[redacted]

Q. What cost are the Israelis willing to pay for the basic TOWS?

A. They (thru Copp) have funds to pay Fair Market Value (FMV should be about $4900-5400 ea. depending on age) and to cover the cost of transportation. They do not have enough to pay for I TOW (about $9500 ea or TOW II ((about $13000 ea.). We have frequently sold the Israelis weaps/material at FMV vice the replacement cost to the U.S. Since we have over 100K of the basic TOW in our inventory and cannot even use it in training due to its age, we ought to look at this as an opportunity to collect on a weapon which we aren't using (all are in PWR according to Koch) and will eventually have to dispose of because we cannot sell them off otherwise. (I'm told that Hughes Acft, the mfgr. has an agreement w/ DoD that all normal FMS transactions will be handled as a producer sale in order to keep DoD fm undercutting the production line by selling off old stocks).

The most recent proposal (Copp as agent for the CIA and sales to the Israelis who then deliver weaps to the Iranians) can only work if we can get the Israelis to come up on their price. I have been unable to contact NIR who is in Europe for a meeting [redacted] He still does not know that we are aware that the Iranians have offered $10K per TOW. He has however left a message that we must have a go/no go decision today and that conditions in Brt. continue to deteriorate.

[redacted]

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under provisions of E.O. 12356
by K. Johnson, National Security Council

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DEPOSITION EXHIBIT
Cave-3
4/17/87

5759

15 JAN 86

From: NSCLN --CPUA
To: NSTMP --CPUA

Date and time 01/15/86 16 37 47

*** Reply to note of 08/31/85 13:26

N 23735

UNCLASSIFIED

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Nir just called again. He has advised that he believes the GOI is about to formally withdraw its offer to assist on this matter so that it cannot be blamed when the AMCITS are killed. I asked him about the rumor that one had already been killed. He replied that it was probably another of the Jews since they (Hizballah) will undoubtedly kill the Jews first to make their point.

I then asked NIR to reconfirm, the requirements as he understood them. He said that the Iranians want 1000 TOWs, 25 Moslems released by Lahad and the AMCITs and any surviving jews wd be released along w/ the Brit if they (the IRG) can still find him.

The Israelis are very very concerned that they cannot make a delivery of 1000 TOWs w/o a promise to replenish. Nir points out that he is operating in an environment which is very hostile since the USG never made good on its promise to promptly replenish the original 504 TOWs that they shipped in September and that if we had but sent these TOWsas promised it might have been possible to take the further risk of another 1000.

IAW instructions have invited Sec W'bgr to mtg w/ Casey in yr ofc at 1700 on Thursday. It is my sense that by that time we will have a msg fm the GOI that they are withdrawing their offer. Is it possible to arrange a secure conference call tonight to see if we can make this work? V/R North

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CWW-4
6/17/87

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5760

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10 Nov 86

~~SECRET/SENSITIVE~~ UNCLASSIFIED

MEMORANDUM FOR RECORD

SUBJECT: Meeting on November 10, 1986, with the President, Vice President, Secretary Shultz, DCI Casey, Attorney General Meese, Don Regan, Admiral Poindexter, and Al Keel, in the Oval Office

[redacted] The President said we did not do any trading with the enemy for our hostages. We do need to note that [redacted] (Khomeni) will be gone someday, and we want better leverage with the new government and with their military. That is why we felt it necessary to give them some small defensive weapons.

We can discuss that publicly, but no way could we ever disclose it all without getting our hostages executed. (We must make it plain that we are not doing business with terrorists. We aren't paying them or dealing with them.) We are trying to get better relations with Iran, and we can't discuss the details of this publicly without endangering the people we are working through and with in Iran . I pointed out we must bear in mind we have given the Israelies and the Iranians the opportunity to blackmail us by reporting selectively bits and pieces of the total story. I also pointed out that Congress could -and probably would -- hold legislative hearings. Admiral Poindexter pointed out that we do want a better relationship with Iran.

In ~~June~~ Jan 1986, the President apparently made a formal finding under Section 501 of the Arms Export Control Act which directes the DCI not to notify Congress until further notice, and authorizes discussion with friendly groups which are trying to get a better government in Iran. I had not knowen of this finding before [illegible] -- Shultz said he had not known of it either. We needed to help those elements to get a more pro-U.S. government in Iran. Poindexter continued that we assisted Israel initially because we found Israel was sending arms to Iran [redacted] and also wanted the Iran-Iraq war to end as soon as possible. Admiral Poindexter said that McFarlane went to Iran in May 1986, and that was the only trip he made, and then we started working through [redacted] of Rasfanjani. Previously we had used an Israeli agent called Gorbanifar. We also used many channels to try to get the hostages back. [redacted] others proved no good because the Iranians always insisted that the Dawah prisoners held by Kuwait be released. We finally did authorize the release of 500 TOWS sold by Israel to Iran, and another 500 were sent last week. This was all arranged as a result of a meeting with Rasfanjani's [redacted] came here to show that he was a legitimate representative of the government. Poindexter reported there were several meetings

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CWW-5
6/17/87

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in Europe and elsewhere.

I reminded John that he had always told me that there would be no more weapons sent to Iran, after the first 500 TOWS, until after all of the hostages were returned, but unfortunately we did send a second 500 because it "seemed the only way to get the hostages out", according to Poindexter.

Poindexter pointed out the hostage taking had stopped for a year. I pointed out that they took three more quite recently. Poindexter pointed out that this was not done by the same people or Iranians.

[redacted] publicized Rasfanjani's contacts with the U.S. Rasfanjani then felt he had to speak out against the U.S. and the McFarlane trip. Because of the obvious errors in Rasfanjani's speech, Poindexter thinks he is sending a message that he "wants to work with us." Colonel North thinks we can get two more hostages out by the weekend. I don't. (We didn't.) We have told all our friends in the Mid-East, and according to Poindexter they agree, they would like a negotiated settlement and the war to end. [redacted]

The President said this is what you had to do to reward Iran for the efforts of those who could help. Actually the captors do not benefit at all. We buy the support and the oportunity to persuade the Iranians.

I again pointed out we will have to answer many questions and have Congressional hearings. The President said we need to point out any discussion endangers our source in Iran and our plan, because we do want to get additional hostages released. Mr. Shultz spoke up for the first time, saying that it is the responsibility of the government to look after its citizens, but once you do deal for hostages, you expose everyone to future capture. He said we don't know, but we have to assume the captors will get someone. He said he felt the Isralies sucked us up into their operation so we could not object to their sales to Iran. He pointed out there will be a lot of questions after any statement, even after a statement such as Mr. Casey

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proposed to read. The President said we should release the statement, but not take any questions. Mr. Regan said we are being hung out to dry, our credibility is at stake, and we have to say enough. Shortly thereafter the meeting adjourned on the note that revised drafts of the Casey proposed statement will be sent to us.

23 Dec 86

UNCLASSIFIED ONLY

THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

December 23, 1986

Honorable George P. Shultz
Secretary of State
Department of State
Washington, D.C. 20520

Dear George:

I attach a memorandum which I have sent to the White House, and about which I feel very strongly. I think the memo discusses a very bad way to do very bad business. I hope that we will soon have an NSPG to prevent what I see is substantial further damage that can come to the Administration from a continuation of the same practices that have caused so much of the trouble we are experiencing now.

I think it is particularly unfortunate that the State Department's public statements are now denying that we are continuing contacts with the Iranian government through Third Country representatives, which is true only in the most technical sense of terms, and which I am afraid will cause further adverse reactions when the truth is known.

Sincerely,

DEPOSITION
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CWW-6
6/17/87 DFD

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under provisions of E.O. 12356
by K. Johnson, National Security Council

5762

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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

22 December 1986

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MEMORANDUM FOR THE ACTING ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

When the President announced in late November or early December that all further arms shipments to Iran had ceased, and after it became apparent that the channels we were using to discuss hostage release, and other matters with the Iranians were, at the very least, ineffective, and, as is easily apparent now, totally counterproductive, I had assumed that we were finished with that entire Iranian episode and so testified to Congressional Committees during last week. I was astounded, therefore, to learn, on Friday, December 19, 1986, after my testimony, that United States "negotiators" were still meeting with the same Iranians. I learned this not from our State Department or from anyone in the American government, but by the same route I learned initially of the original discussions with the Iranians about arms sales, that is to say [redacted] When we inquired of the [redacted] NSC as to the meaning [redacted] I was finally advised that we did indeed have negotiators, namely, Mr. Raphael of the State Department, and probably others, still negotiating with the same elements in the Iranian group. I was told that we were no longer talking with them about selling them arms and I hope this is true, but I have no way of knowing if it is true.

I must point out as strongly as I can that any attempt to conduct major activities in the security field with the deliberate exclusion of those who have some responsibility for security cannot succeed in anything but adding to the troubles we already have. I would very much have appreciated an opportunity to present to the President arguments as to why we should not continue dealing with these channels in Iran. Their total unreliability and inability to produce anything except public accusations against the United States makes the entire procedure not only fruitless, but particularly dangerous in view of today's Iranian problems.

I think the President was entitled to have the advice of all of his security advisors, and I must strongly object that the continuation of this practice of secrecy and attempts to exclude various advisors whose advice it is apparently feared

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5762

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may not support the agenda of the State Department, in this case, or some other agenda in other cases, can only get us in more and more difficulty, and serves the President very badly. I therefore ask that there be a meeting of the National Security Planning Group so this matter can be discussed properly, and presented properly, to the President, and that our so-called negotiators with the Iranian government, wherever they are, be brought home and instructed not to take any further action of any kind to meet with or discuss anything with Iranian government officials unless and until there is a Presidential decision growing out of an NSPG meeting to do so. And if there is such a decision, I would ask that the Defense Department and the NSC be kept fully informed and advised, and consulted as to what is happening or about to happen.

I am sorry to be so blunt about it, but it seems to me incredibly wrong that the precise mechanisms of secrecy and attempts to exclude advisors who, it is feared may have different views, which helped cause so many of our present difficulties, are apparently being pursued by the State Department at this time.

I have now learned, thanks to your forthcomingness with me, and by reason of our investigations, that McFarlane had actually offered the Iranians sensitive intelligence information, passed by the U.S. as to Iraq, and that State plans another meeting with the Iranians on December 27 in Genena. I urgently urge that no such meetings be permitted until we have had the NSPG you very forthrightly offered.

I will urge, at that meeting that we tell all Iranians in whatever channel or channels there may be that we will discuss nothing with any of them until all American hostages are returned unharmed. The terms of reference you kindly showed me today seem to me to be wholly inadequate.

Cap Weinberger

cc: Don Regan

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65- 1088

C 2710

15 March 1985

MEMORANDUM FOR: THE RECORD

SUBJECT: Breakfast with Secretary and Deputy Secretary of Defense, 15 March 1985

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CWW-2
6/17/87

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by K. Johnson, National Security Council

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7. [redacted]

[redacted]

cc DDI
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Exec. Sec.
Exec. Registry

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Pages C2707-C2708
(cover sheet)

Denied in their
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by B. Reger, National Security Council

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Meeting w/Secretary and Deputy
Secretary Defense 15 Mar 85

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WELD COPY

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DEPOSITION OF WILLIAM WELD

Thursday, July 16, 1987

House of Representatives,
Select Committee on Investigate
Covert Arms Transactions with Iran,
Washington, D.C.

The select committee met, pursuant to call, at 2:00 p.m., in Room B-352, Rayburn House Office Building, Pamela J. Naughton [Staff Counsel to the select committee] presiding.

Present: On behalf of the House Select Committee: Pamela J. Naughton, Staff Counsel; and Ken Buck, Assistant Minority Counsel.

On behalf of the Senate Select Committee: Thomas McGough, Associate Counsel.

MS. NAUGHTON: Okay. We are on the record.

It is a deposition of William Weld, and the witness has already been sworn. I am Pamela J. Naughton, Staff Counsel to the House Select Committee to Investigate Covert Arms Transactions With Iran.

Will the people present around the table introduce themselves?

MR. McGOUGH: I am Tom McGough, Associate Counsel with the Select Committee.

MR. BUCK: Ken Buck, Assistant Minority Counsel for the House Committee.

THE WITNESS: William Weld, Assistant Attorney General, Criminal Division, Justice Department.

Whereupon,

WILLIAM WELD

was called for as a witness and, having been previously duly sworn, was examined and testified further as follows:

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Mr. Weld, when did you become the Assistant Attorney General for the Criminal Division?

A September 15 or 16, 1986.

Q And before that, you were?

A From November 1, 1981 until September 15, 1986, I ✓ was ~~under~~ United States Attorney for the District of

Massachusetts with my duty station in Boston, Massachusetts.

. Q Prior to your becoming U.S. Attorney, did you have experience in criminal law enforcement?

. A Not much. I had been for 10 years with a boston law firm, Hill and Barlow, where I was a litigation partner. I had a total of three or four criminal defense cases that I had taken on referral from the Public Defender. I had nine months of working on the Watergate impeachment matter in ✓ 1973-4 [illegible]--I was Associate Minority Counsel for the House Judiciary Committee on the impeachment inquiry.

. I had taken six months off to run for Attorney General of the State of Massachusetts in 1978, and I had been a judicial law clerk for the Supreme Judicial Court of Massachusetts, where most of the business was criminal, but by no means all of it.

. Q And I gather in your capacity as U.S. Attorney, you have supervised probably hundreds of criminal prosecutions?

. A Thousands, yes.

. Q Okay.

. Now, I want to address the issue of the Iranian arms sales. In early November, around the 3rd or 4th, newspaper stories started breaking regarding the sale of Israeli--excuse me; of American-made arms to Iran. Do you recall when you first heard of that?

. A Oh, I probably read about it at the time the stories were first published. I think the first time I became engaged with respect to the matter was in dealing with the Evans case that was pending in New York City, and upon reviewing my records, it looks to me as though that was November 10, 11, 12, that year. ?

. Q Prior to reading about it in the newspapers, did you have any knowledge of the U.S. participation in arms sales to Iran?

. A I don't believe so, no.

. Q Okay. Can you tell us what your involvement was then, and with the Evans case, beginning on or before November 10 of 1986?

. A Yes. That was a case pending against one Samuel Evans, an American lawyer, and others for violating the export control laws by conspiring to have weapons go to Iran, and as I learned in November, one of the defenses ✓ offered by the persons scheduled to go to trial was that they believed they were acting in a manner authorized by the United States Government.

. Q Excuse me. Was this a defense that was recently posed after the public revelations or is this a defense that they had been asserting prior to the first week of November?

✓ . A I believe it is a defense they ~~have~~ had been asserting prior to the first week in November.

. Q Okay, please continue.

A At any rate, the public statements concerning alleged official American sales of arms to Iran obviously raised questions in the mind of Judge Sand, among others, who had the case in New York, as to what the full story was, so the attorneys from the Southern District of New York called down to the Criminal Division, specifically Deputy Assistant AG Mark Richard and also myself, I became involved, for some help in giving themselves comfort that they could make a representation to the court that the actions by the defendants in the Evans case were not officially sanctioned.

The line attorney to the case was a woman named Lorna Schofield, and I believe I dealt also with Denny Young--Denison Young, and Benito Romano, who were in a supervisory capacity in that office.

I can't remember whether I first heard of this from Mark Richard or from some other source, but I remember carrying the message upstairs--I think perhaps to a daily morning staff meeting, saying in effect, ''Hey, we need--we need to give an answer to Judge Sand. We ~~had~~ have a draft opposition that New York proposes to file, but, you know, we have got to make sure that when we say there was no government involvement here, or this was not even capable of a type of activity authorized by the government, we have got to make sure when we say those things, that they are accurate,'' so I carried that message upstairs.

. Q Okay.

. Was there any sort of affidavit or declaration to appear, or was this simply to be a statement deposed in the motion papers?

. A I think it was in a motion paper. I do recall that there was a document that I was working off at some time, and I think it was--you have it. I saw it when we did my interview. I think it was in the nature of a representation in a motion paper.

. Q Okay. And they are looking to Main Justice for confirmation of that position; is that correct?

. A Yes. They sent down a draft, and I think the first draft I saw said something such as, well, the events discussed by President Reagan at his recent news conference ✓✓ ~~of~~ have no connection with the events at issue in the case--something broad and conclusory like that.

. I was not terribly comfortable with that language. I mean, how would the author of that memorandum know that? I think Mark Richard felt the same way, so our theme was more homework has to be done here.

. Q Did the Evans at all involve Adnan Khashoggi?

. A I think that Sam Evans used to represent Adnan Khashoggi, although I am not positive about that. I think, yes, his name definitely came up in that case. He was not a named defendant--I don't think, but I recall the names

Khashoggi and De la Rocque both being associated with Evans and Evans' defense.

. Q Were there any other shall I say common denominators between the Evans case and what you know of the U.S. Government Iran initiative?

. A I should say that I am no expert on the U.S. Government Iran initiative, but one topic that came up quickly was the type of materiel being shipped to Iran. There were TOW missiles, HAWK missiles, F-14 spare parts, night vision equipment and something else that I can't remember--with the five categories involved in the Evans case, and I remember asking early on, well, you know, were these involved in the shipments to Iran, and I recall Mr. Meese saying at one point, ''No, only one or possibly at most two of those things are common--'' so there was some common link, I believe, in the type of equipment shipped to Iran.

. Q Okay.

. A Again, as far as I am concerned, this is allegedly in both cases.

. Q Sure. Did you take this eventually to the attention of the Attorney General?

. A Yes.

. Q Do you recall when?

. A Well, it got quite quickly to the attention of the

Attorney General. I--I believe I must have raised it at an 8:30 staff meeting, because during that week, between November 10 and November 17, the Attorney General essentially undertook to supply the information which would be necessary for the motion papers in the New York case, or to perform due diligence work, if you will.

. Q Prior to this, do you know whether or not the Attorney General undertook to ask Admiral Poindexter whether or not the arms sales that were in the Evans case were sanctioned? In other words, did he do this in the summer or early fall of 1986?

. A I have no knowledge about that. After--you know, one or two meetings with the Attorney General on the Evans moving papers, I said, look, how can we be sure about this, and I was talking with--with him and Ken Cribb, C-r-i-b-b--and either Ken or the Attorney General suggested that the matter be run past the Assistant to the President for National Security Affairs, who is Mr. Poindexter.

. Q Okay.

. A And if you look at the drafts of the moving papers or affidavit, whatever it is, that I was working off of, you will see on one of them that there is inserted in my handwriting the words, ''and after consultation with the Assistant to the President for National Security Affairs.'' That was done at a sitdown I had with Ken and the AG one morning, at which Ken mentioned that the language in the moving papers had been, ''fly-specked past Poindexter,'' meaning as I understand ~~that~~ it reviewed in detail.

. Q Who had done this?

. A The AG was my understanding.

. Q Was there any discussion at that time of the Attorney General doing this on his own?

. A Having done it earlier?

. Q Yes.

. A No.

. Q Okay.

. What about at this particular time? Was there any discussion when he said we should go to Poindexter as to who should do that?

. A Gee, I have always thought the AG did it personally.

. Q Oh, I am not indicating any knowledge to the contrary. What I am saying is, did the Attorney General say, ''I will do this myself'' or did he say maybe someone else should do it, or was there a discussion of who should do it?

. A I think he ~~never took~~ undertook to do it himself. There was one meeting where he said he would do it, and then this morning meeting with him and Ken Cribb was a later meeting where I learned that it had been done, and that is when I wrote in my copy of the moving papers which I later sent up to John Richardson, I think on November 17, you know, "after checking with Poindexter."

. Q Okay.

. Do you know when that went out to the Southern District of New York?

. A No.

. Q Was it shortly after you sent it up to Mr. Richardson?

. A I don't know. I would think so.

. Q For the record--

. A It would have gone out presumably from Mark Richard, not from John Richardson. I would think in the ordinary course, I would have been sending it to John Richardson for clearance, and then the Internal Security Section or Deputy Assistant AG, Mark Richard or whoever was directly in contact with Denny Young or Benito Romanó or Lorna Schofield would have sent it up. I could be wrong. Maybe it went from Richardson.

. Q At any rate, you did not send it to New York?

. A That is right.

. Q Was this a Customs case?

. A Yes. I kept forgetting that, but Customs was the investigative agency.

. Q Okay. And did you discuss this language with Customs?

. A No.

. Q Okay.

. Now, at this time, of course, there were revelations of the U.S. initiative with Iran in the arms sales. Was this--let's say prior to the November 17--was this a subject of discussion at any of the staff meetings?

. A Yes.

. Q Can you give us a flavor of what those discussions were?

. A Well, the thing I remember is a discussion about who should deal with the press concerning inquiries regarding Iran--because ~~[illegible]~~ Giuliani's office in New York, among others, was getting questions about whether the activities under indictment had actually been sanctioned by the government, and his was only one of a dozen or more Iran arms cases pending around the country.

. I remember the Attorney General suggesting that when it comes to questions concerning Iran, that no comment should be made by the field.

. Q And what was decided regarding how those press inquiries would be handled at Main Justice?

. A Oh, I assume they went to Terry Eastland as per usual, Terry Eastland being the Press Secretary.

. Q Okay.

. Were there any discussions of the substance of the facts surrounding the arms sales?

. A Well, there was some discussion at the morning meeting on Friday, November 21st, concerning statements being made to Congress and whether they hung together, that sort of thing.

. Q Okay. Prior to that, though, in the staff meetings was there discussion of the substantive facts revolving around the Iranian arms sales as they were coming out?

. A My impression is that that was closely held, and that there was no discussion of what was going on with the Iranian arms sales.

. Q Okay.

. Were you aware of Assistant Attorney General Cooper's activities in trying to find the facts and apply the law?

. A No.

. Q Okay. Do you know whether or not anyone in the Criminal Division was aware of that?

. A I would be reasonably sure that no one was.

. Q Okay. So, his activities prior to November 20, let's say, were not discussed in any staff meetings of any kind that you can recall; is that correct?

. A Right. There's an 8:10 a.m. and an 8:30 a.m. every day. I go to the 8:30. I don't go to the 8:10. I can't speak to the 8:10.

Q Okay, in the 8:30 meetings, then, you don't recall that being--

A I am pretty clear that was not discussed.

Q Okay.

By the way--strike that.

Okay, now, as to November 21, you attended the 8:30 meeting.

A Yes.

Q Okay. And did the subject of the Iranian arms sales come up?

A Yes. I believe the Evans case came up, and I recall saying that I wasn't sure it was such a good idea for the Criminal Division and the FBI not to be involved in the process of researching the government to be able to make a representation to the court as to--you know, what was in accordance with official policy and what wasn't.

Q Okay.

When you say in researching the government, you mean the U.S.-Iran initiative arms sales as opposed to the Evans arms sales?

A Right.

Q To see whether or not there was--

A My point was in order to make a representation to the court, you have to have somebody who knows all the facts of the Evans case and all the facts of the U.S. arms sales.

and that it didn't make sense for very high-ranking officials to be researching the U.S. Government side of the case unless they were intimately familiar with the Evans side of the case as well.

. Q Okay.

✓ . Why did you suggest the Criminal Division ~~in~~ and the FBI to do this?

. A Well, you know, I think this is--I think this is one of those times when I forgot that Customs had the Evans case. I was thinking the AUSA, the agents on the case, maybe someone from Internal Security, Joe Tafe, who was already serving as a liaison on that case.

. Q And for the record, the Internal Security Section is part of the Criminal Division?

. A It is part of the Criminal Division, yes.

. Q So, basically people who were familiar with the general facts of Iranian arms sales to begin to look into the--the U.S. initiative regarding sales of weapons to Iran.

. A Right, in order to be able to answer the defense motions.

. Q All right.

. A And when I said Criminal Division and FBI, I think what I really mean is attorneys and agents. Some of the Iran arms cases around the country are FBI cases, and some are Customs.

. Q Okay.

. When you--I take it that you were the one who mentioned this at the meeting; is that correct?

. A Yes.

. Q All right. And when you said that, what was the response?

. A People were surprised, because I--this was a new topic I was raising, and I raised it with some feeling, and ✓ I remember Mr. Trott looking at me with what I thought WAS surprise.

. I am not certain whether Mr. Burns was there as well. I think he was. I am certain that Mr. Meese was not.

[redacted]

. Q Okay.

. MR. McGOUGH: You are certain about Mr. Meese was not at the meeting?

. THE WITNESS: He was not at the Friday, November 21st, 8:30.

. BY MS. NAUGHTON:

. Q Was Mr. Reynolds there?

. A Yes, definitely.

. Q And Mr. Cooper?

. A Yes.

. Q And you mentioned Mr. Trott and Mr. Burns. Was there anyone else there that you can recall?

. A Oh, there was a full table, because I was sitting down at the very end, so there would have been 10 people there anyway.

. Q Okay.

. A The people who customarily attended that meeting, although I don't recall anyone except for Trott, Reynolds and Cooper definitely being there, but the people who usually attended would include Terry Eastland, John Bolton, who is the Legislative Assistant AG; Steve Markman, who was at the Office of Legal Policy--

. Q Does Kathy Appleyard usually sit in on those as well?

. A She has been for a number of months. I am not certain whether that was the practice in November. I would say no. Also, although I never thought about it before, I tend to think she is there only when the AG is there.

. Q Okay.

. Was Mr. Richardson or Mr. Cribb there?

. A Could have been--yeah, I should add them to the list of customary attendees.

. MR. McGOUGH: Mr. Habicht?

. THE WITNESS: No, he is not a customary attendee, although he sometimes does if there is a matter involving the Lands Division.

. BY MS. NAUGHTON:

. Q Okay. Do you recall, was Mr. Cooper there throughout or did he come late or--

. A You know, I don't recall that. The reason I say Brad Reynolds and Chuck Cooper were there is I recall talking to them at the conclusion of the meeting. I have read recently in the press that Mr. Cooper was at an 8 a.m. meeting at the CIA on that day, and I am trying to think if I am crazy for remembering that, but I think he and Brad were there at least at the conclusion.

. Conversely, it is conceivable that Mr. Meese had been there early, and then left, but he wasn't there when I made my statement about the Criminal Division and the FBI.

. Q Mr. Cooper did testify he did not spend a great deal of time at the CIA that morning. Do you have any recollection how long the whole meeting took?

. A They usually break up around 9:00.

. Q Okay.

. A But they sometimes go as late as 9:20.

. Q Okay.

. You stated that you expressed your feelings rather strongly. Can you give us a sense of what you said?

. A My exact words, as best I can recall, were I am not sure it makes very much sense for the Criminal Division and the FBI not to be involved in this.

. Q Um-hum. Did you also make any comments regarding the Attorney General being used as a fact-gatherer?

. A I had discussed that with Mark Richard downstairs that I could not see the wisdom of that. I cannot now recall whether I said that at that morning meeting, but if I so stated at my interview, then--

. Q My notes indicated you referred to that the Attorney General should not be a gumshoe--

. A Okay; that sounds like me.

. Q --was what I wrote down.

. A That sounds like me.

. Q Okay.

. A I don't now recall saying that at that meeting. I certainly said that in conversation with Mark Richard.

. Q What did you mean by that?

✓ . A Well, he has got a limited number of hours in the day. If there are--if there is factual research that needs to be done to support a statement being made in--you know, one motion in one of the 30,000 cases we have pending, get some--somebody from the office or the Internal Security Section to do it.

. It is a question of his time. And the point I made earlier about, you know, he is going to have to take time to get steeped in all the Evans facts in order to be the signatory as it were on the representation to the court.

. Q Sure.

. Did you know at this time that the Attorney General had actually participated in drafting of the January 17 finding?

. A No. I had never heard of the January 17 finding at that point. Had I? Had that been--

. Q I wouldn't know.

✓ . A Any way, the answer is no.

. Q What I am getting at is, was there a concern solely for the Attorney General's time, or did it also encompass or concern about being a fact-finder if one was involved with the initiative?

. A No, I think it was just a management issue. It is crazy to have the top people going out doing fact research.

. Q Okay.

. After you mentioned this--and I believe you stated in your interview rather warmly. I wrote that down, too.

. A Yes.

. Q What was the response? Do you recall what people in the room had to say about that?

. A No. The discussion, I recall, was after the meeting broke up, Mr. Cooper and Mr. Reynolds were still seated next to each other at the table, and I came over on the other side and said something like, well, you know, I don't mean to overstate this point, but it just seems to me that we ought to be able to manage it a little bit better.

. I was trying to take back from the warmth of my statement so that people wouldn't think that I was particularly angling for business, but I just want to make sure this got done in a way that made sense, and that led to a conversation involving Chuck and Brad, where Brad I believe said, ''Well, somebody has got to get involved here, because there are a lot of statements going around and statements being prepared for the Hill, and these things aren't hanging together.''

And I said, ''Well, that is way over my head,'' and Brad said, ''Well, that is way over all of our heads.''

Q Okay. Do you recall if Mr. Cooper said anything on that subject?

A Yeah, I think he did more or less along the lines that Brad was saying, but I am not sure.

Q Okay.

Did either of them mention Director Casey's testimony specifically, that you recall?

A I wouldn't be surprised. I think that Director Casey's testimony had been in the news either the day before or the day of, so that it would have been topical.

Q Well, did either of them tell you what was being done about that, these dissimilar statements that were coming out?

A No.

Q Okay. Did they indicate--either of them indicate to you that the Attorney General was personally involved in helping to review drafts of the Casey testimony?

A No, I don't think so. It wasn't that in-depth a conversation. Brad was being ~~factual~~ tactful in a way ~~of~~ by saying, ''Yeah, you are right. Someone has got to get in here and have a look around.''

Q But when he said that, did he indicate that someone was?

A No. I don't believe that I understood that Mr. Reynolds or Mr. Cooper was doing that.

Q Okay.

Was there anything else on that subject at the meeting or--after the meeting?

A I don't think so.

Q Okay.

After you returned to your office, did you assign anybody to do research on the legal issues involved?

A I called up Gerry McDowell, who is head of the Public Integrity Section of the Criminal Section at some point; I guess it was that Friday, and said, ''Hey, Gerry, about Iran, why don't you have somebody have a look see whether, if the stories in the papers are true, there might be any violations of law implicated.''

Q By calling the Public Integrity Section then, I take it you were focusing on public officials?

A Yes.

Q Okay. And did Mr. McDowell look into that for you?

A He had Jo Ann ~~[illegible]~~ Fairington, who is a special assistant to him, look into it, and she gave him a memo on Saturday, November 22, which I don't believe I saw until several days later.

Q Okay.

And did that memo outline certain statutes that may be applicable?

A Yes. It was a quick and dirty look. It said, you know, the Arms Export Control statute might be applicable--whatever that 1947--National Security Act might be applicable. Her reading was that as long as it was officials acting within the scope of their duties doing this that none of the criminal penalties would be implicated.

Q Okay. At that time, were you aware of any findings--in other words, were you aware whether or not any of those activities had been authorized?

A No, I was not aware one way or the other.

Q Okay.

Now, on the 24th, did the Attorney General call you in regard to this subject?

A Yes.

Q Do you recall when that was?

A Well, it was during a meeting I was having with my deputies, and those are often ~~the~~ at 10 or 10:30 a.m., so I would say it was between 10 and 11 a.m.

. Q Okay.

. Do you know if he was calling from his office?

. A I don't know where he was calling from.

. Q Okay. Do you recall anybody placing the call for him?

. A When I got on the line, I think he was on the line, but that is his style.

. Q He places his own calls?

. A Not all of them, but if it is--I think he was on the line. I don't know that anything turns on it. I am uncertain about that. I think he was.

. Q And when he called you, what did he say to you?

. A He said words to the effect of, ''I just want you to know with respect to this Iran matter that the fact that the Criminal Division is not involved is not negligence or a product of sloppiness, and you should not be concerned that matters are, you know, falling between the cracks. This is being done that way on purpose.''

. Q Okay.

. Did he allude to what was being done?

. A No. I took his statement to refer to my expression of concern at the Friday meeting. My inference was that someone had reported to him that I had expressed this view with some warmth, and he should--that he might want to give me a call to make sure that I understood that the matter was being handled.

. Q But did he tell you by whom or what was being done?

. A No, that is just about all he said.

. Q Do you recall what your response was?

. A I said, ''Ed, I--I gather--or I did--I did register a concern at the Friday meeting about you doing this research, and my only thought is that if you ~~tried~~ try to carry too much water here that some may spill on you.'' Those were my words.

. Q Can you tell us what you meant by that?

. A Well, if you are going to be responsible for making a representation to a court in a court paper, you have to be very sure of your facts, and I guess my meaning was that it would be difficult for him to be sufficiently on top of both the facts on the Iranian arms sales by the government and the facts in the Evans case to be able to make a clean statement that, you know, the activities in Evans had no connection with the activities that the government had been carrying on.

. Q Um-hum. Did you mention to him the research that you had had done?

. A No, I don't even think it was in my mind. As I say, I didn't see it until sometime later, and when I did, it was an anti-climax. I didn't really dwell on it until I saw it in document production in February of '87.

. Q Between the time of that phone call and the Attorney General's press conference the next day, where obviously the whole word was told it was happening, did you have any other discussions or learn anything or read anything pursuant to the subject matter?

. A Read anything--you mean other than in the newspapers or--

. Q Correct. Yeah. Was anything going at the Department of Justice regarding this issue?

. A That I was involved in?

. Q Yes, sir.

. A I don't think so. I think I got off that train and the next I heard was when Mark Richard called me and said there had been a press conference and Poindexter resigned and North had been fired.

. Q Did you have any knowledge on that day, on the 24th, that Brad Reynolds and Chuck Cooper had met with Tom Green, the attorney for Oliver North?

. A No.

. Q Or actually for Secord?

. A No.

. Q After the Attorney General's press conference, what did you do?

A Well, Mark Richard called me. I was in my office. He said that this press conference had occurred. Poindexter resigned; North had been fired. I said, ''Wait, wait. Timeout. You better get in here and bring me up to speed on this.'' He said okay.

As soon as he got into my office, which would have been 30 seconds later, we received a call to go up and see Steve Trott on the fourth floor.

Q For the record, Steve Trott is?

A He is the Associate Attorney General.

Q Okay.

A Steve said, ''You two guys,'' meaning Richard and Weld, ''are to go meet with Chuck Cooper now and ~~scoop~~ scope out what the possible criminal implications of this scenario as described by the press conference might be.''

So, we proceeded from Trott's office to Cooper's office to do that.

Q Okay. What did he tell you?

A What did Trott tell us?

Q What did Cooper tell you when you went to see him?

A He gave us a little bit of a chronology on past sales--I think he mentioned September '85, November '85, February '86, May '86, August '86 and either September or October '86. He talked about 508 TOW missiles here and then some Hawk missiles that got returned, and what types of equipment.

He talked about Iranian middlemen and God knows who else making a buck on the side, you know, as possibilities. He talked about the CIA and DOD and the price between them, and you know, what the implication of that might be for whether or not American dollars were involved.

And basically, it is like the first year law school exam question, what torts? This is: What crimes?

Q Did he discuss the diversion of the money to the contras?

A Oh, yeah. He did. He must have. That was the topic of the press conference, although you know, I didn't get a--a transcript of that until later, but in Mark's first call to me, he had mentioned the diversion, so, yeah, that was very much discussed.

Q Okay.

A And the Boland Amendment was discussed. During the initial narrative by Chuck, he took a call from Dick Armitage at Defense and learned--he said that 508 TOW missiles was all that the Army had in stock at the time that the 508 missiles went from Israel to Iran which seemed to make an impression on him.

Q All right.

Which--when Armitage said that the 508 were all the U.S. had in stock, what was Cooper's response? Why would that make an impression?

A His response was, ''Oh, wow.'' I infer that the reason it would make an impression is that it might support an inference that the decision by the Israelis to select a number 508 to send was the product of some colloquy with the Americans, but I am not even sure if I got the countries right.

I am going on my memory of notes of a conversation that I didn't understand in the first place.

Q Okay. When you were--

A I have detailed notes of this conversation, which I am sure would enable me to be more precise, but for whatever it is worth--

Q I think we have those.

A We did those last time.

Q Yeah. What I want to try to pinpoint is when you were discussing what particular criminal statutes might be involved, were you focusing on the diversion of the funds or on the legality or illegality of the arms sales themselves?

A Mark Richard and I were answering it as a what-crimes question. First thing that occurred to me was conspiracy to violate the Boland Amendment, 371, conspiracy. The second thing that occurred to Mark and me both was conspiracy to defraud the Congress in the faithful administration of the foreign military sales program but, you know, we considered everything, mail fraud, wire fraud, munitions statutes, arms export control, tax violations, a 641 ~~threat~~ theft from the government, assuming that there ~~were~~ was some spread between the price paid to the government and what the property was worth to the Iranians.

So, I think that our response was directed to both halves of the situation at that meeting--speaking for Mark Richard and myself.

Q Okay.

After you laid these out, did you put it in any sort of a written form?

A I have notes, and I think I recapped my notes into five broad headings when we went in to see the AG at 5:30.

Q Did you communicate with anybody from the FBI or Customs during this time period, that is, Tuesday afternoon?

A That afternoon.

Q On this subject?

A No, I don't think I got out of meetings all day. I went from Trott's office to Cooper's and from Cooper's to the AG.

Q And when you met with the Attorney General, did he tell you he had spoken to anybody at the FBI?

A I had--I have to look at my notes. There was one meeting where he suggested--but I think it was the next morning, where he suggested that he had spoken to Buck

~~Revell,~~ Revell and that he and I and Trott should be briefed by the Bureau later in the day--I think that was Wednesday morning, the ~~16th.~~ 26th.

. Q Okay.

. A It would appear in my notes.

. Q Okay. When you met with the Attorney General at 5:30 on Tuesday, do you recall what it was he told you?

. A He said, ''Okay, Bill. Let's hear about the potential criminal theories--criminal violations.'' There was a bunch of people in the room, eight or 10, and I laid out a summary of what Richard and I had come up with with Cooper.

. Q Okay. And did the subject of authority come up regarding the 1985 shipments?

. A Well, I think it was recognized that the answer to the criminal questions could be a lot different depending on whether--various shipments were taken with authority or not.

. Q Well, I guess what I am getting at is at this meeting, did the Attorney General volunteer any facts that he had found out over the weekend or at any other time to--

. A No, I think that came up at the Wednesday 2:30 meeting.

. Q Okay. Did--when you were discussing the Arms Export Control Act, which i assumed you did during this 5:30 meeting--

A Briefly.

Q --and the National Security Act, did the Attorney General tell you that they had proceeded under the National Security Act so to allay the problems of the Arms Export Control Act?

A No, I don't think he did.

Q Okay.

Did he impart to you that he had participated in the finding in January of '86?

A No, we didn't get into that at all.

Q Okay. So this is mainly a recitation by you?

A Me talking now.

Q Okay. And what was his response after you finished going through your laundry list?

A Thank you very much.

Q Okay.

So there was no sort of discussion or--

A Well, I think my notes make reference to the Attorney General mentioning some vague conspiracy charge or something like that. I led off with conspiracy, ~~male~~ mail fraud and wire fraud, three of the Attorney General's ~~lease~~ least ~~favored~~ favorite statutes, and then I thought of ~~the~~ false statement, which is another one of his ~~lease~~ least favorite statutes.

Q And recently, the Supreme Court's~~.~~

A And recently the Supreme Court's. But there was some--you know, you are asking about the discussion. There was some discussion about meat-and-potato statutes with, you know, specific prohibitory provisions versus these vague conspiracy, mail fraud, wire fraud type of statutes.

. Q After the meeting then with the Attorney General and others, did you do anything else on this issue Tuesday afternoon?

. A I would think I probably went downstairs and continued to kick it around with Mark Richard, because 6:00 is not usually when I go home.

. Q Okay.

. Then on the 26th, there was a meeting--actually a very large meeting which a lot of people attended to try to get the game plan going. Did you have any meetings prior to that meeting?

. I think the record will indicate that took place around 2:45 in the afternoon.

. A Yeah, we had a morning meeting as well.

ok

. Q And was this with Mr. Cooper and Mr. Reynolds?

. A Yes. I am ~~not~~ now consulting the three pages of notes that I made of the meetings that I attended. I had a 9:15 on the 26th with the Attorney General, Mr. Burns, Mr. Trott, Mr. Reynolds, Cooper, Bolton, Cribb, Korten, K-o-r-t-e-n, and John Richardson.

. Q Okay. As a general matter, does Mr. Burns usually take notes at these meetings?

. A Not usually, I don't think.

. Q And at that meeting, did you discuss how the Criminal Division was going to handle this new investigation?

. A I think the very first thing that was said was that the Attorney General said, ''Bill, today is the day for handoff to the FBI and to the Criminal Division.''

. Q Is there anything that made Wednesday different than Tuesday night?

. A I don't know.

. Q In other words, when you left the Attorney General Tuesday night, did you get the impression that you now had the authority to go forward and investigate?

. A No. I had the impression that was on hold until the next day.

. Q Okay. So, the next day is when you actually heard of his decision to go forward with the criminal investigation?

. A Yes. My best recollection is that I formed the impression somehow on Tuesday night that that was on hold until the next day.

. Q Okay.

. A So, I would infer that the subject had come up on Tuesday night.

Q And what else was discussed at this meeting?

A I believe at the 9:15, the composition of the investigative--or excuse me, the prosecutive ~~time~~ team was discussed, and I said I would probably go with a couple senior people from the Public Integrity Section, which handled Special Prosecutor and Independent Counsel matters.

There is a guy over there, Bill Hendricks, who has a lot of experience in CIA matters, as well, so he was a natural. I think we put on Alan Carver as well, who ~~is~~ has a ~~special~~ conflict of interest ~~specialist,~~ specialty, and a military background, too.

The AG said he wanted me to personally supervise this in the interest~~s~~ of speed. He wanted both Jack ~~Heeney,~~ Keeney, who is my principal deputy and supervises the Public Integrity Section, and Mark Richard, who is my second principal deputy and supervises the Internal Security and International Affairs Sections, to be involved, and that Chuck Cooper would be a member of the prosecution team as well. So it would be six in all.

Q Did he say why he wanted Mr. Cooper to be involved?

A I don't believe he did.

Q Did the Attorney General ask to be kept informed on a routine basis?

A Oh, sure. I mean, I think that was the point of having me supervise it closely. It was John Richardson said at that meeting--said if anything comes up hot, get it to the

AG immediately.

. Q Okay.

. Now, was it at this meeting or the afternoon meeting that it was brought up as to whether some facet should proceed civilly as opposed--

. A It was at that meeting.

. Q Okay.

. A Mr. Cooper said it was his understanding that the criminal investigation would focus on the diversion to the contras, and that the investigation that he and Mr. Reynolds had been conducting of the Iran side of the fence would proceed on a civil track, although it might throw off leads for the criminal investigation.

. Q Okay. And what was the response to that?

. A I am not sure anyone said anything. I probably gave negative body English, because I didn't draw a distinction between the two. I know I wrote a question mark in my notes in the margin, and the--I don't think the idea was kicked around much after that.

. Q What--my notes indicate you told us at your interview what that that suggestion did not survive the meeting.

. A Well, it was never raised again.

. Q Okay.

. A I don't think we kicked it to death at the meeting. I think it was a trial balloon that didn't go anywhere--that is unfair to Mr. Cooper. It was a thought that didn't go anywhere.

. Q Nevertheless, you did not see that as any indication that you shouldn't proceed in any area criminally?

. A I mean no way was I going to look only at the Nicaragua side of the fence.

. Q Okay.

. A You know, I am trying to remember. I think most likely I scratched my head or gave some affirmative sign that I found that suggestion puzzling and people didn't salute it. It was run up the flagpole and not saluted.

. Q Later on then, there was a very large meeting about ✓ 2:45 or so in the afternoon with a ~~case~~ cast of thousands.

. A Yeah.

. Q Including some people from the FBI, including Mr. J-a-m-a-r--I believe Mr. Floyd Clark was there, and others. Did the Attorney General at that meeting describe to them that you and Mr. Cooper would be team leaders or leading this investigation--anything to that effect?

. A I don't recall a joint command concept. I do believe it was stated that Mr. Cooper would be on the team.

. Q Okay. Mr. Cooper testified publicly that he had the sense that that did not sit well with the FBI.

. A Ha, ha, ha.

. Q Does that comport with your recollection?

. A Yes.

. Q Okay. Was that expressed to you by the FBI?

. A Yes, it was.

. Q Do you recall who expressed it to you?

. A Every FBI person that I talked to.

. Q Okay.

. What did they tell you?

. A Well, it was really more questioned than telling, but I think we went after the big 2:30 meeting--I think Cooper and I and Hendricks and Carver--and Mark Richard and Jack Keeney went back down to my office with all the FBI guys, ha, ha, ha, and we sat around and nobody said too much, and at one point, I think Chuck said that he--he certainly hoped that, you know, no major actions would be taken in his absence or without him participating, and the Bureau guys just looked at him, and afterwards Jeff Jamar or one of the Bureau guys asked me, ''Hey, what is Cooper going to do?''

. Q Did you respond?

. A I don't recall what I said. I would have said something like, ''Well, you know, he is on the team.''

. Q Okay. So, the FBI wanted to know basically what role Cooper was going to have in the investigation.

. A Yeah, I think it was stronger than that. I mean, I didn't follow Chuck's public testimony, but if he said they didn't seem comfortable with that. I would agree with that.

Q And did they express why they did feel comfortable with that?

A No. I don't think they did. I thought at the time it was because they viewed him as a ''political'' Assistant AG.

Q What is kind of clear from the record that develops is that the FBI does not impart anything of what they are doing, basically, to the people that are supposed to be working on it.

Did they say anything to you at that time that they did want to discuss the details of the investigation with Mr. Cooper?

A I don't know whether they said it or not. It was abundantly clear to me. They didn't have to say that for me to pick that up.

Q Okay.

Later on, on December 1st, 1986, Mr. Reynolds and Mr. Hendricks meet with Tom Green, who now is representing only Secord. Prior to that meeting, when it was being set up, did you discuss with Mr. Reynolds the--the advisability of his meeting with Mr.--

A Yeah. I got wind of this--I can't remember how--but I called Brad, and he calls me back again, I think, during a deputies' meeting, because I remember Jack Keeney and Vicky

Toensing ~~Tungston~~ and maybe Mark Richard sitting right in front of me when I was talking with him, and I said, ''Look, you might be a fact witness in this whole shouting match about your weekend investigation, so it may not be advisable for you to go meeting with counsel, and--'' this incidentally had been discussed at the 2:30 meeting with the FBI, the advisability of having Tom Green bring in Secord for a proffer.

Bill Hendricks had argued against it. Reynolds had argued--Brad Reynolds had argued in favor of it, but anyway, now this meeting was going ahead on the first, and I urged Brad not to--not to have the meeting with Green.

He didn't buy my scenario about fact witness. He said, ''Well, isn't every FBI agent who conducts an interview a fact witness, and why isn't he debarred from conducting any further fact interviews?''

I said, ''Well, you know, we don't agree, but I think if you are going to have the meeting in a minute, you should have Bill Hendricks there.'' Hendricks is a career guy from the Public Integrity Section, now Chief of the Fraud Section, and Brad said, ''I have no problem with that.''

Q Um-hum. What was your understanding of the purpose of the meeting was to be?

A A mini-proffer by Green as to what his client might have to say.

Q Okay. And at that point, was it clear he represented just Secord alone, or were you under the impression he represented more than one of the participants?

. A I am not sure when it changed from all three to just Secord in my understanding.

. Q Thank you.

. Well, by the time you spoke to Mr. Reynolds on the 1st of December, did you have an understanding who Green represented?

. A Quite sure on the 26th Brad said he represented more than one, but it looked as though he was going to have to get out for one or the other. Now, the 1st of December would have been my next business day in the office, so I don't know if I learned that in the interim.

. Just in the interests of completeness, after I hung up from talking with Mr. Reynolds, I called Mr. Trott, who was somewhere out of the office. [redacted] STET said, ''Look, I have had this conversation with Brad. Do you think I should go over the cliff on it, you know, raise it up to the AG, insist, ~~[illegible]~~ ~~it all over the floor,~~ because the way I left it, it is going to go ahead, but with Hendricks present.''

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. And Steve said, ''Yeah, that is probably survivable.''

. Q Did Mr. Reynolds give any affirmative reasons for wanting to be part of this meeting?

. A Well, he had argued in the November 25 afternoon meeting that sometimes you can get more at the beginning then you can after a position freeze, which is true, and Mr. Hendricks had argued that you don't want to have somebody come in before you can intelligently cross-examine them and tell you their stories, because then later, you get so you know your case, and you want to ask them questions, and they tell you, ''Look, I already told you my whole story'', and that is also true.

. Q But what reasons did Mr. Reynolds give for himself wanting to participate in the meeting?

. A The impression I got was that he thought he could advance the ball. I pressed him pretty hard, and his response was the one I just related about the FBI agents and the fact--

. Q Did he mention at any time that he had a long-standing relationship with Mr. Green?

. A No, I don't think I knew that.

. Q Okay.

. For the record, you are the person that drafted the application for Independent Counsel; is that correct?

. A Yes.

. Q Okay. Colonel North, in his testimony, which you may have missed--

. A I missed it.

. Q You were lucky, but made much ado about the fact that he was the only person mentioned in the application for Independent Counsel, a fact which apparently rankled him a bit. Do you recall any conscious decision to only put his name in the application?

. A Well, I guess the reason I started with him was a feeling that if there was anybody who knew what was going on here, it was he.

. Now, the next question is, why not throw in Poindexter and a bunch of other people? The answer to that is, we were a little short on facts at the time this was being drafted, which was on the night of December 1.

. Q So, you didn't know exactly what Admiral Poindexter had done, in other words?

. A That is correct.

. Q Okay. Did you have anybody else in the government in mind?

. A Well, no. I mean, my thought was, let's draft it broadly and let the facts take us where they will.

. Q I guess, then, my question is, then why did you add Colonel North at all?

. A I guess to give context. I have been involved in a couple of these things before and none of them with no names.

. Q Was there any discussion in any of the drafts that were circulated to add more names or to delete his name?

. A I don't recall either of those changes being raised. There were a lot of--there was a lot of discussion about adding more violations or subtracting violations.

. Q Would it be normal procedure in drafting such an application to add people who aren't in the government as possible co-conspirators?

. A It has happened in a number of cases.

. Q Okay.

. Did you give any thought then to adding Mr. Secord or Mr. Hakim or--

. A Oh, no. This is December 1. I don't think I was ✓ that far along in terms of knowledge.

. Q By the way, did you ever receive Mr. Cooper's notes that he had taken at the interviews over the weekend inquiry?

. A No. I have never seen them.

. Q Did you ever ask for them?

. A I don't believe so.

. Q Did you ever see Mr. Richardson's notes of the North interview?

. A I have never seen them.

. Q So, you never actually received any notes from anyone taken that weekend; is that correct?

. A That is right.

. Q Okay.

. A I became aware that they had given their notes to the FBI.

. Q Okay. Were you aware that the FBI had or was going to interview Admiral Poindexter?

. A Yes.

. Q Okay. Did they relate to you the outcome of that interview?

. A No.

. Q Was there some discussion or concern about Fawn Hall and whether she had retained an attorney or had been contacted by the FBI?

. A There was some discussion about her having retained Plato Cacheris, who was looking for immunity, and I recall Jeff Jamar and myself both being frustrated by our inability during the preliminary investigation phase of an Independent Counsel case either to grant immunity or to issue subpoenas, because as I looked at it, she would have been a red hot candidate for immunity on day one in a garden variety criminal investigation, but we were hamstrung.

. Q Did anyone else step forward other than her attorney and Mr. Green?

. A Yeah, there was a guy named Sherwin Markman or Markham, who called me from Switzerland, who wanted to come in and speak on behalf of Willard Zucker and somebody else. I think they might have been American lawyers in

Switzerland.

. Q Do you remember who they were?

. A He is from Hogan and Hartson.

. Q Yes, but who the others were in Switzerland?

. A No, I don't, but I should have notes of that. There was Willard Zucker and some company which later made the news--some Societe ~~[illegible]~~ Anonyme .

. Q Was it CFF for short?

. A I think so.

. Q Where did Mr. Markman work?

. A This is on December 9. Well, by that time, we had filed our application for Independent Counsel. I think that was filed on the 4th. So, he came in with John Keeney, Jr., Jack's son--Jack recused himself, obviously--representing these witnesses from Switzerland, and the phone message I had, or maybe it was the message given to me through my assistant, Mark Robinson, was that these people wanted to shed light on a whole extraordinary web or tangle of events in Switzerland, designed to make it sound as appetizing as possible.

. Shortly before the meeting, I concluded that I should not meet with them, because--suppose they mentioned the word ''immunity.'' Then they might later feel that they had negotiated immunity with the Criminal Division while the application for an Independent Counsel was pending.

. So, I opted out of the meeting and sat them down--I believe with the FBI alone.

. Q And would these have been the FBI agents who were then assigned to the Independent Counsel staff?

. A Yeah, the Chinese Wall at the Bureau had already had already been established, and the briefing that the Bureau gave--gave us on--I guess it was December 1st, Neil Dovers was the--yeah, ~~had~~ at a 4:05 meeting on December 1st, and this was a much-postponed briefing by the FBI.

. And it was clear to me that they were holding the cards close to the ~~investigation~~ vest and just telling us the categories and subject matter headings of their investigation without any of the meat, which I must say I found appropriate.,

ok

. That ~~did~~ didn't bother me, because we all knew an Independent Counsel was coming down the road within a matter of days.

. Q So, you never heard of the outcome of their meeting with Jack Keeney, Jr., or Mr. Markman?

. A Correct.

. Q Were you aware of any efforts on the part of Brendan Sullivan to contact either the Attorney General or the President on behalf of Colonel North?

. A No, I don't think so.

. Q Okay.

Was there any discussion--obviously after November 25--of giving Colonel North immunity--or discussing the possibility of a pardon when it was all said and done?

A. There was some discussion of immunity on or around December 16. The topic came up in the form of a question as to what we would do if the House and/or Senate committees did vote immunity for Colonel North or Admiral Poindexter pursuant to 18 USC 6005 or whatever the statute is.

Q Okay. And who was that discussion with?

A Well, I thought it was a non-starter as an idea. I was violently opposed, but in a conversation with Mr. Trott, I learned that consideration was being given to going--into having the Department of Justice go along with immunity for those two individuals, on the theory that this isn't ''a real'' immunity. It is only ''limited'' immunity.

I button-holed the Attorney General at his Christmas party and this conversation occurred whatever date that was--I think it was the 16th, and said, ''Look, on this question of immunity for North and Poindexter, be advised that the government's burden after immunity is granted to show an absence of taint is a very heavy one.

The Kastigar, K-a-s-t-i-g-a-r, taint problem is a very severe one, and if immunity is granted at this stage, it might very well render impossible any prosecution of Colonel North or Admiral Poindexter, and I don't think it is a good idea.

. Q And what did the Attorney General say?

. A It was inconclusive. I mean, this is in a room with 200 people and it was, you know, a real not-to-do-anything-precipitous and we-will-take-everything-into-consideration. The request I made of him was that I would like to be heard before this is done, and he said that I can be ~~[illegible]~~ heard.

. Q Okay.

. A And he didn't seem, you know, overwhelmingly committed to the idea, either. It was just something that had come up on the plate.

. Q Well, at that time, there were public reports that the White House was trying to push Congress in that direction.

. A I think that is right.

. Q Okay.

. So, this was a discussion of whether or not the Department of Justice was going to approve that or go along with that or support that--

. A Right.

. Q --push.

. A Which was not an idle question, since we have an opportunity to oppose it under the statute.

. Q Okay.

. A And this was before Judge Walsh had been appointed.

so I think I also argued to the AG it would be doubly inappropriate for us to exercise an authority which would belong at least in part to the Independent Counsel within a matter of days.

Q Did anybody at the Department of Justice, including the Attorney General, express the opposite view, that it would be good for them to receive immunity?

A Well, I am just trying to remember whether--I remember the Attorney General at some point making a public statement along the lines that this immunity is limited and not total, but I can't remember when that was, whether it was after this happened or whether it was back in--back in December.

Let me just think whether anyone in the--I think it is possible that one or two of the many people I discussed this with may have said that in their view, it was more important to get the story out for the good of the country than it was to preserve the option of prosecuting North and Poindexter.

Q Do you recall who that may have been?

A Possibly Jack Keeney, although I am not sure. I was--you know, stalking around waving my arms, and he may have been trying to slow me down.

Q Are there any other things that you think we should cover that the committee should know?

. A There was a part B to your question which was, did I ever hear any discussion of a pardon for North?

. Q Oh, yes.

. A I heard the word once. A fellow from the Vice President's office, C. B. Gray, who is a social friend of mine, called me up on two matters. One, a--I think Criminal Division Christmas party that I had invited him to, but two, he had some question relating to Fifth Amendment and waiver involving Colonel North, and I remember saying to him, ''Look, I am not advising anybody about anything. We are in total conflict position here, but you know you people should be very careful how you talk to Mr. North or his lawyer,'' and I remember C. B. saying, yeah, that people will come back and say it was all a big deal for a pardon.

. Having worked though the Watergate years, the word leapt out at me.

. Q Are there any other things that you think we should cover in this that I didn't ask? We obviously skipped over a lot of meetings and things that you participated in, but I sort of just wanted to hit the main points.

. Please feel free at this point to put anything on the record that you think the committee should be aware of.

. A No.

. Q Okay.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. McGOUGN:

Q Okay, Mr. Weld, at one point you referred to discussions at a staff meeting regarding who is going to speak to the press about Iranian matters, and this was in the context of the Evans case.

Do you recall approximately when that took place?

A Yeah, I think it would have been between the 10th and the 17th, probably closer to the 10th of November. It was the first time Iran had bubbled up to my consciousness, and the question was, well, what should the United States Attorney say when the press begins to ask them, you know, ''Are your cases going to survive or are they all going to fall because of what the Administration has been doing?''

Q You mentioned that on Friday--get my dates confused sometimes--but Friday, November 21, which would have been a Friday, you asked a member of the Public Integrity Section, Gerry McDowell, to look into possible criminal violations, and that was, I believe, the same morning that you indicated, too, at the staff meeting, that you thought the Criminal Division ought to be involved in the investigation.

A Well, that I thought that the Criminal Division ought to be involved in getting the answers for the motion in New York.

Q Right, and I guess that really brings up my question, which is at the time of the staff meeting and the time of your staff meeting, did you have any inkling or any belief, any--well, any belief or inkling there might be criminal activity involved, not on the Evans side of the matter, but on the Iranian initiative side of the case?

. A Well, I think the reason I put the question to McDowell must have been with a view to our responsibilities under the Independent Counsel statute. I don't like to sit around waiting for a referral. If there are matters publicly reported that might possibly support or might possibly constitute ''sufficient grounds to investigate a person covered by the Independent Counsel Act has committed a Federal offense,'' so I wanted Jerry just to take a quick look to see whether there was some obvious criminal possibility in the Iranian initiative as reported, because if so, I wanted to know it.

. Q What, if anything, about the Iranian initiative suggested to you there might be criminal activity? Let's take events out of it for a second. I view the Evans situation as being different from the Iranian initiative itself, and it seems to me what was it about the Iranian initiative that--

. A I am having trouble reconstructing how much was in the press by November 21, but if the press accounts had reported that this was being done on an unofficial basis or with private sorts, and there were, you know, phony manifests on shipments, that would be a 1001 or possibly an export violation.

Again, that is speculative since I can't remember what was in the press, but that is one possibility.

Q But at least when you spoke to Mr. McDowell, there was some thought you might have that there might be some criminal activity on that side of the equation.

A There must have been, or I wouldn't have put the question. I recall a feeling of lack of knowledge on my part that week, which I think is what led to the slightly frustrated tone with which I said at the morning meeting, you know, I don't think even this investigative fact finding work on the Evans case should be done without Criminal and FBI, so I wanted Gerry to, you know, give me some comfort there.

Q At the staff meeting that morning, given that you had this staff meeting the next morning, did you express the Criminal Division's interest in those terms? I mean, let me back up for a minute. I believe you said at the staff meeting, you said, ''We have got this Evans case, and we have got somebody investigating this Iran initiative and the same person ought to be doing both, so they can make the affidavits and the proper representation in the Evans case.''

Did you, in addition to that, say, ''and there may be some criminal activity on the Iran initiative side''?

A I don't think I did. I wouldn't even fix the date of my request to McDowell as having been Friday the 21st, except that he and I later had some by-play about whether the request had come over on a Friday or a Monday.

Turned out to be a Friday. And it could conceivably be Friday the 14th. But in other words, I have no memory of asking Mr. McDowell on any particular day. But I did ask him for quick and dirty, and the fact that ~~Joanne~~ Jo Ann Farrington got to it on Saturday the 22nd suggests to me that it was probably Friday the 21st.

Q All right. And Miss Farrington's memorandum was dated the 22nd, as you recall?

A In hand.

Q In hand on the 22nd.

A There is a handwritten date of the 22nd on it.

Q Okay.

Did the Attorney General ever ask you at any time prior to November 26 to brainstorm the Iranian situation and see if there are any criminal violations in it?

A No.

Q So that Miss Farrington's memorandum was done independent of any requests--

A That was me on my own hook. There was one other thing that the Attorney General did ask me to do, which was to get further information about the Evans case. I think I should put this on the record, in fairness to the Attorney General, who the defendants were, bring over a copy of the indictment, and I did.

. I had Joe Tafe from Internal Security bring that over, and I gave it to John Richardson sometime shortly before November 17, so if I left the impression earlier that the Attorney General was purporting to opine on the Evans case without knowing anything more than the name of the case, that is not quite accurate. He did have the papers.

. Q You indicated that after the press conference on the 25th, you met with--first with Mark Richard and then with Mr. Cooper, and Mr. Cooper gave you some chronology and a briefing on some of the facts.

. Did Mr. Cooper mention to you that he had also been looking into possible criminal violations?

. A No, I don't think so.

. Q So that any discussion of--well, strike that.

. Did you ever discuss with the Attorney General what Mr. Cooper's roles could be on the investigative team? You indicated at the meeting on the 26th, he said Mr. Cooper will be a member of the prosecution team, but didn't say why at that time.

. Did you every discuss with him Mr. Cooper's role on that team?

. A No. I don't think so. I am just trying to think whether I questioned that at the meeting or not. I have a dim memory of a little bit of back and forth, but then the conclusion being, okay, let's do it this way.

. Q And shortly thereafter it was that the FBI expressed some reservation to you about his participation?

. A More by deed than word, but it washed out because it wound up that the entire prosecutive team was not getting information out of the FBI, ~~and~~ Bill Hendricks called over for reports on this and that. They weren't coming over, and it's not that the FBI doesn't trust Bill Hendricks, just that they knew they were going to have a new prosecutor in a few days, and as I said earlier, I think they behaved appropriately.

. Q I guess really following up on that, or maybe you answered it implicitly, were there ever any steps taken to remove Mr. Cooper from the prosecution team, or did the issue simply moot itself?

. A I think it just dropped out. There may have been meetings held, you know, between Carver and Hendricks on the one hand, and brick agents as opposed to supervisory agents on the--

. Q But not at your level.

. A You mean with me, but not Cooper--no.

. Q Did you at some point become familiar with a case arising in the Southern District of Florida under Leon Kellnor, K-e-l-l-n-o-r, and relating to an investigation into alleged violations of the Neutrality Act, and in particular if it had come to your attention, it might have come to your attention through press accounts indicating that the investigation had been postponed or stalled by the Attorney General--

A This was the one where Lowell Jensen and the Attorney General were supposed to have called Kelln~~o~~er up?

Q That is right.

A Yeah, I read about that in the press, and I ~~feel~~ fielded ~~that~~ one phone call from Kelln~~o~~er on the topic--as best I can remember, he was violently denying that this had occurred. He said he felt middled by these press accounts and that his personal integrity was on the line, and he was demanding that the Department, in its next public pronouncement on some topic--I can't remember what issue ~~or~~ a statement to the effect that these conversations never occurred.

Q Which conversation?

A The alleged conversations between Jensen and the AG and Kelln~~o~~er.

Q What did you do about that request?

A Well, I think possibly it was in the context of a letter to Judge Walsh, the Independent Counsel. This might have put it into January, and the question was whether this statement regarding, you know--the statement regarding those conversations would be somehow included in this letter to Judge Walsh, and I recall telling Leon Kelln~~a~~er that I thought the letter had to go, and we couldn't, you know, comment on a fragment of the evidence ~~of~~ or comment on something that wasn't even a fragment of the evidence. We had to just send the letter.

Q And did you ultimately send the letter?

A Yeah, it was for Trott's signature, as all the letters to Judge Walsh were. But I think it went--it was about the Posey case, and I not sure of--and I think--

Q The case we are referring to has gone under a lot of names, but Posey may have been one of the people involved.

Did you ever conduct within your own Division or elsewhere any independent investigation or investigations to determine exactly what happened in that case?

A You know, I--I believe that Jack Ke~~a~~eney has had telephone conversations, maybe even taken actions with respect to that. The lion's share of the dealings with Leon on this matter have been conducted by Jack Ke~~a~~eney. There was at one point something that happened involving a subpoena by the Customs Service.

I would place this probably in December of '86, where Leon had a subpoena out, but it was so broad that it swept into Judge Walsh's territory and Jack told him, ''Look, you ought to trim this so you don't step on the Independent Counsel's toes ~~dous~~,'' and somehow that got back to Leon as ''You have to close down the entire case,'' or something like that.

It was a misunderstanding, later cleared up, so that was action taken by the Criminal Division that would have had some impact in Florida.

Q When you read these newspaper articles and fielded this call from Mr. Kelln~~o~~er, did you at that point attempt to get up to speed on what had happened? Did you talk to Mark Richard, for example, about the case?

A I think Ke~~n~~eney, for some reason, was my designee on this one. He dealt with Leon on the ? ~~beef~~ between Southern District of Florida and the Independent Counsel. There were two cases in the Southern District of Florida which I was quite anxious for the Independent Counsel to take over, but I couldn't blow them past Danny Coulson, ~~Annie Collison~~ who is the FBI Agent working for Judge Walsh.

And one of them, I think the Independent Counsel may have changed his mind on, but I can't recall. Anyhow, that is the context in which Kelln~~o~~er rose--in which these cases rose to my attention. Whether or not they were going to Independent Counsel--

Q Did you ever speak to Mark Richard about the allegations?

. A Well, if they involve gun-running, I probably did, yeah. I mean, there is the Posey case, something called Corbo, a case called Garcia. There is the case about the guy who testified yesterday, Morales, and I have heard all those names.

. I would think I probably did talk to Richard about it. At another time, I either asked or had Vicky ~~Tungsten~~ Toensing ask Leon for a synopsis of all the allegations people have made about gun running or improper conduct by people involved in his cases down there, and he sent something up, so that is something else that the Criminal Division did.

. Q All right. I guess when you say you spoke to Mr. Richard about the allegations and mentioned allegations by Corbo and Garcia--

. A I can't remember who Corbo is.

. Q I understand. What I really meant was, did you speak to Mr. Richard about the allegations that the case had been slowed or stalled by anyone in DOJ?

. A I think I would have been more likely to have spoken to Mr. Keeney about that, because that would be a Public Integrity matter.

. Q So, the answer is no, you don't recall talking to Mr. Richardson. All I can do is ask you if you recall speaking to Mark Richard about those allegations.

. A If it is a gun-running case--I rely on my senior deputies all the time, ~~for~~ Keeney and Richard.

. Q I want my question to be clear so the record makes some sense. All I am really asking is, do you recall ever speaking to Mr. Richard about the allegations that someone in the Department of Justice had stalled or slowed down Kellner's investigation in that case?

. A I think I must have discussed it with one of my deputies, because I wouldn't have let it sit there. I don't recall discussing it with any of them in particular. I recall receiving the impression that the thing had been looked into and laid to rest, that there were three AUSAs who had sworn mighty oaths that it never happened, words to that effect.

. Q Do you recall any discussion with Mr. Richard about his own conversations with Mr. Kellner on the case? That is, Did Mr. Richard ever say, ''Yes, I have spoken to Leon about this matter on a number of occasions''?

. A I am just drawing a ~~black~~ blank on Richard about this case, but if it is gun running, it may well be.

. Q Do you recall discussing this case, in particular the allegations that the case was slowed or postponed, with Mr. Trott or the Attorney General?

. A No, I am quite sure I didn't discuss it with Trott, and I am certain I never discussed it with Mr. Meese.

. Q And just to complete the set, have you ever discussed this case with Lowell Jensen?

. A No.

. Q Does the Criminal Division have any policy or standards for briefing or--describing the types of cases in which the NSC would be briefed on an investigation?

. A I would just be guided by what Mark Richard told me on that.

. Q You are not familiar with any criteria?

. A You mean written down?

. Q Either written or precedential.

. A Well, I am developing some knowledge about that, but at this point, I would be very much guided by Mr. Richard and John Martin from the Internal Security Section.

. Q In your tenure as Assistant Attorney General, have you ever come across a case in which a briefing has been given to the NSC, special briefing to the NSC?

. A Yes.

. Q Without--I don't want to obviously penetrate--I don't want to penetrate any departments I am not entitled to--

. A Don't worry. If I told you I would blow up.

. Q Can you give me any indication what triggered the briefing to the NSC, what it was about the case or cases that caused the Department to brief the NSC?

. A Extremely sensitive foreign policy. Relations with other countries.

Q I think that is all I have.

A You know, I am--I sense that I am forgetting something that may have happened. Let me tell you one other thing I remember about Mark Richard which may relate to this case of Kelln~~o~~er's that I draw a blank on all the time.

There was an NSC meeting that Mark once mentioned to me that he had attended which might have been on this case. I don't know. And Colonel North was there. And Mark mentioned to me that he had forgotten that he attended it until much later, but maybe that has something to do with this case of Kelln~~o~~er's.

MR. McGOUGH: Okay, that's all I have.

MR. BUCK: I don't have any questions.

MS. NAUGHTON: I have one more.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Getting back now to the 24th of November, on that Monday when you received the phone call from the Attorney General, did you at some point later tell Steve Trott about it? In other words, did you discuss with him or the AG calmly on holding off on the Iran arms investigation?

A Well, let's see. Trott had been present on the 21st, so he knew my view.

Q How--can you tell me something about his participation in that meeting that makes you sure that he was there?

. A I recall him looking at me with surprise the way he does when--this is my inference--when he thinks maybe I have stepped out a little bit.

. No, I do not recall telling Trott the AG called me and said, it is no accident that Criminal is out of this. The whole thing would have been overtaken by events the next day, because by the afternoon of the 25th, Criminal was in.

. Q But you say your deputies were present during the phone call; correct?

. A Yes.

. Q Did you ~~relate~~ what the Attorney General had told you to them?

. A Yes.

. Q Was there any discussion of that?

. A Yeah, Mark Richard thought it was crazy. But he and I ~~have~~ had been telling each other for a week that it didn't make sense to have the AG doing the investigation. Both these calls that happened during deputies' meetings there was some discussion of--

. Q Okay. Was Mr. Ke~~a~~eney there?

. A Yes, I think so.

. Q Did he have any comment about it?

. A I would think that it would have been negative. It might have been just a, you know, facial expression.

MS. NAUGHTON: I think that is it.

BY MS. NAUGHTON:

Q Oh. The situation when you described giving a briefing to the NSC, did that briefing involve Oliver North or Admiral Poindexter?

A No.

Q Did the subject matter involve either Iran or Nicaragua?

A No. I am not even sure that that briefing has occurred as we sit here, but the question has come up at high levels.

MS. NAUGHTON: All right. Thank you.

[Whereupon, at 4:00 p.m., the taking of the deposition was concluded.]

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~~TOP SECRET/CODEWORD~~

DEPOSITION OF JOHN A. WICKHAM, JR.

Friday, August 14, 1987

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
Washington, D. C.

Deposition of JOHN A. WICKHAM, JR., called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 10:05 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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APPEARANCES:

On behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition:

JOHN SAXON, ESQ.

On behalf of the House Select Committee to Investigate Covert Arms Transactions with Iran:

ROBERT GENZMAN, ESQ.

ROGER KREUZER

On behalf of the Department of the Army:

COLONEL JOHN WALLACE

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CONTENTS

WITNESS	EXAMINATION ON BEHALF OF SENATE	EXAMINATION ON BEHALF OF HOUSE
John A. Wickham, Jr.		
By Mr. Saxon	4	

EXHIBITS

WICKHAM EXHIBIT NUMBER	FOR IDENTIFICATION
1	10
2	22
3	24
4	24
5	25
6	26
7	27
8	30
9	36
10	52
11	56

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PROCEEDINGS

Whereupon,

JOHN A. WICKHAM, JR.,

called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q Would you state your name for the record, please, sir?

A My name is John Adams Wickham, Jr.

Q And what is your current position, General Wickham?

A I am U.S. Army, Retired.

Q And you were Chief of Staff of the Army from 1 July 83 until very recently; is that correct, sir?

A 1 July 1983 to the end of June this past June.

Q And prior to that you were Vice Chief of Staff of the Army for one year?

A For one year.

Q Before that you commanded U.S. forces in Korea in the Eighth Army?

A For three years.

Q And in previous assignments you have been at various times Director of the Joint Staff of the Office

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of the Joint Chiefs of Staff?

A That's correct.

Q And Military Assistant to the Secretary of Defense?

A For three years, right.

Q And you are a combat-decorated veteran of the Vietnam war?

A Yes.

Q General, as you know, we are here today to cover a number of items under investigation by our two Committees dealing with the Iran-Contra affair, and I am going to segment things into the Iran arms sale first and then, toward the end, cover a few of the contra-related matters.

I think what might be most helpful is if you would start on the Iran side of the equation with the shipment of TOW missiles, which as we know came from Army stocks, and walk us through that chronologically from when you first became aware and how you became aware and what happened next and what happened next and so forth.

A I had returned from a trip in January, I guess it was '85.

Q '86?

A January '86, on a Saturday and the Vice Chief of Staff came over to the quarters in the afternoon.

Q That would be General Maxwell Thurman?

A General Thurman. He was off on a trip shortly after we met, to bring me up to date on things that had transpired in my absence, and one of them concerned a request by Colin Powell, a warning order, to be prepared to turn over to the Agency a number of TOW missiles, plain type missiles.

Q And that's then Major General Colin Powell?

A Who was Military Assistant to the Secretary of Defense. And no destination, just turn them over. It's not an unusual thing when we receive a request like this as a result of a Presidential Finding, although we didn't talk about a Finding, to make available assets to the Agency and not know the destination.

I believe then Monday -- it may have been Tuesday -- that following week --

Q At this time that would be about January 21?

A Thereabouts -- the 20th or 21st -- the Secretary had been on a trip and when he came back I apprised him of this matter. He and I always have been very close and everything very open, a lot of sharing of knowledge here, particularly in areas of the intelligence business.

Q Are you referring to Secretary Marsh?

A Secretary Marsh, right. And that was in the morning of the 21st, I believe. It could have been the 20th. But, in any event, as soon as he came back, and about 1800 that same day I received a secure phone call from Major General Colin Powell and the purpose of that phone call, it was in my telephone log -- execute.

I'm not sure of the exact number of missiles to be delivered. It may have been part of 1,000, the first tranche of that. I don't know the number. I can't recollect the number. And I went in and told the Secretary, called in General Russo, who was involved in the process there, and gave him the execute instructions.

Q General Russo was the Assistant --

A He was the Assistant Deputy Chief of Staff for Logistics, a Major General, and he was one of the principal officials involved. He had some Indians that were working for him that took care of the details. So that was the beginning of the process.

The Secretary and I conjectured about all of this, where are these things going. It was really none of our business to ask because we were given a lawful direction to carry out the responsibility. We knew that we would be reimbursed by the Agency for these assets.

Q Was it your understanding that General Powell had told General Thurman that this was to be a close-hold operation, with no notes and very little in writing?

A Yes. General Thurman had mentioned close hold. It was a little unusual to do it this way -- all personal visit or secure phone call, nothing in writing-- because normally through the [redacted] a procedure is established so that records are kept in a much more formal process. But this was very high level and that's why Secretary Marsh and I conjectured what is this all about.

[redacted]

Q Did General Thurman tell you whether this was to go outside of the [redacted] because those were any express instructions he was given, or was it simply that if we handle it close hold, no notes, that means we don't use that system? How did those instructions come to you?

A They just came to us as this is so sensitive that very few people are to be informed about it, and you're not even supposed to tell your execs. So I've seen that in my service -- directions like that -- even in the JCS during Grenada, for example. No notes were allowed to be taken out of the tank where the JCS meet, just because of concern about leaks. And so it wasn't unusual in the sense of directions to do this.

Q But if I understand what you told us previously -- and by that I should say that the House and Senate staffs interviewed you on April 17 of this year -- and from what we understand from the course of our general investigation, it was unusual if the service was to be providing military equipment to the Agency that you would not go through the [redacted] is that correct?

A Right. Normally on provision of assets to the Agency we would have a much more formal process.

Q Did there come a time when Secretary Marsh thought it prudent, however, to keep some records in terms of a chronology of what was happening, even though the instruction had been more or less no notes?

A He and I talked about that, and I felt very uneasy about this process. And I also felt uneasy about the notification dimension to the Congress because we might approach or would appear to be approaching asset value that required notification. And he and I talked about that, and so we had a small office that was starting up, [redacted] involved in keeping a chronology and records here.

And we did then also have a memorandum which I believe Lieutenant General Brown signed as the Director of the Army Staff to General Powell apprising them of the Congressional notification requirement and that they were to accept that responsibility. And we got basically an answer back from General Powell, roger, yes, we understand that and we will take that for action.

Q General, let me show you a document which I will ask be marked as Wickham Exhibit 1. This is the unclassified version. This was a Top Secret document which the White House has since unclassified.

(The document referred to was marked Wickham Exhibit Number 1 for identification.)

If you look at the back page, sir --

A That's the memo.

Q That's the memorandum from General Brown to General Powell. If you will note, then, the page on top of that -- and you may not have had a chance to read that--

A I saw that. Powell just sent it over to Admiral Poindexter.

Q And then, for the record, Admiral Poindexter's note on the top says "Paul, put this with the Finding.

JP." That was Commander Paul Thompson and this was placed in the safe with the Finding.

So, for the record, this is the memorandum General Brown did?

A Yes.

Q And what did you say was the response that General Powell gave to the Army's concern about Congressional notification?

A To the best of my recollection, when he received this memorandum he said we understand the requirement and we have it for action. So in a sense we were off. I mean, they had taken it, and therefore we did not have to initiate any further action.

Q To your knowledge did anyone ever notify the Congress?

A No.

Q Was there a point at which the Army, either yourself or Secretary Marsh or anyone acting on your behalf, did anyone ever re-initiate this question to General Powell or to anyone else subsequently, such as to say, by the way, did the CIA ever notify the Congress or did the White House ever notify the Congress?

A I can't say from personal knowledge that that was raised with Powell. Again, conceivably it was, but I just don't know that it was raised.

Q There came a point in the spring of '86 when General Powell left to assume command in Europe and Vice Admiral Donald Jones became Secretary Weinberger's military assistant and, as we'll get into later, we had a follow-on to the TOWs, which was the HAWK repair parts requirement. When that came in did anyone ever raise the issue anew about Congressional notification, to your knowledge?

A Not to my knowledge. See, Powell left around the end of March, early April, and that's when Vice Admiral Jones came in.

Q Let me go back for a moment to a couple of things that we've covered that I want to elaborate on just a bit. You mentioned the creation of [redacted] If you could, while we've got some of this in the record from previous witnesses, take a few minutes and tell us the history of the creation of [redacted] and, if you would, sir, render your judgment as to whether that system works when it's properly utilized.

A [redacted] Secretary Marsh and I talked at some length about the desirability of formalizing oversight [redacted]

[redacted] because various things were being done.

Q Or even, I guess, as we learned with SEA SPRAY, [redacted]

A Yes, yes. That's the thing. So [redacted] I signed a memorandum to the staff to formally organize such an activity, beginning with [redacted] anything that we were being tasked to do by the Agency on the basis of a Finding, the process of civilian and military review to include legal and fiscal review. And that was the genesis of the [redacted]

It took a little longer to get organized than I had wanted. I expressed some aggravation that it took as long as it did, but finally we got the office going, and I believe that it has been very successful. There's not a day that has gone by that I'm in Washington, the Secretary's in Washington, that we don't get one or two papers on [redacted] for his approval or my approval, and there's probably not a week that's gone by that the head [redacted] personally has not talked to the Secretary or me about an issue.

Now it may have produced some discomfort on the part of the Agency. We've heard about some of that because of what they perceive to be a little more bureaucratic process than had heretofore existed. They claim it took a little longer to get things approved, but I would argue I moved things out of my office within an hour when I got them, and if I was gone the Vice moved them, and if the Secretary was gone, the Under moved them. So I don't see that as a problem.

I do see it as a legitimization of our civilian control and legal responsibilities for these programs.

Q Sir, as I understand the [redacted] process, there are several levels of legal review that are involved, [redacted] There's a readiness review. So there are steps built in. But if I understand what you're saying, that process can be covered very quickly in the course of meeting the Agency's needs; is that correct?

A Yes. And if there is some urgency about a particular issue then that's hand-carried, but it's hand-carried through various wickets that involve legal review, that involve fiscal review, that involve uniformed and civilian review. By civilian I'm talking about appointed civilians who have responsibility, legal responsibilities, like the Secretary of the Army or the Under Secretary of the Army.

As you know, in the fall of 1983, there was considerable exposure about actions that had gone on in the Army staff -- YELLOW FRUIT, all of those names that you are very familiar with.

Q Sir, would that be in '83 or '84?

A That was in the fall of '83, [redacted] And out of that came then indictments and court martials, I guess in '84. So we recognized the problem of activities being conducted in the bowels of the Pentagon without adequate control.

And [redacted] was part of our process of trying to establish an architecture for civilian and military oversight. But, more than that, we established command control over programs [redacted]

[redacted]

Q In your opinion, has [redacted] system worked?

A [redacted] I think it's worked exceedingly well.

Q And I take it from your testimony that there's no doubt that the Army and, for that matter, the government needs to have this kind of intelligence activity and operational capacity, if we have the proper safeguards and checks built in?

A Yes. There are things that the Agency is not equipped to do, [redacted] And we do provide assets, equipment to the Agency. So there are legitimate intelligence activities that the Department of Defense is equipped to undertake. We do need to be sure that we have a thorough oversight structure to assure that we are complying with fiscal controls and Congressional notification, checking that Findings in fact do call for providing this kind of activity.

There was one other thought there that crossed my mind.

Q Sir, one of General Russo's Indians named the projects which involved the Army shipping TOWs and HAWKs projects SNOWBALL and Project CROCUS. Are you aware of any request by the Agency which the Army has met other than SNOWBALL and CROCUS which have bypassed [redacted]

A No.

Q And would it be safe to say that among those items which went through the [redacted] that includes some very sensitive matters, very sensitive transfers?

A Yes. Oh, the thought I was trying to pick up there -- it escaped me for a minute. As a result of the [redacted] the Secretary kept Secretary of Defense Weinberger fully informed about what we were doing, and we periodically briefed him, [redacted] did and the Secretary and I were there, [redacted], so that he was aware of the structure we had established, and also then aware of the substance of select programs that we thought were valuable for him to know about.

So that brought in then a Cabinet official into this process. Where we ran into some discomfort

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with the Agency because of laggardness or that kind of thing, the Secretary of Defense was always informed about that because he knew [redacted] because he did have breakfast from time to time with Mr. Casey and we didn't want to have any misinformation coming to him.

Q Is it your opinion that Secretary Weinberger was supportive of this structure and this process?

A Very much so.

Q And to your knowledge has the structure and process the Army has implemented been duplicated in the other services?

A I don't know that.

Q I'm going to jump ahead to one of the questions that I would ask you toward the end or at least the end of my examination before my colleagues jump in. I am going to ask you about recommendations that you would have for these Committees.

As you know, we finished our public testimony and we're now in the process of taking some final private testimony and then writing a report, and that report will contain various recommendations that we have consensus on, and I'll come to some broader areas later, but let me just ask you, while we are on this subject, if you would recommend that if in fact the other services don't have such a process and a system and office for administering

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their support to other government agencies whether they should have such a process and a system.

A Well, I think that [redacted] has served the Army well. [redacted]

Now the other services, they may be unique, [redacted] some very sensitive programs that they have with very limited knowledge by people, they may not want to [redacted] So the other services may have some unique circumstances that would legitimately argue against [redacted]

But for the Army I think it's served us well and we do have some highly sensitive programs that are known to only a few people and they are highly compartmented. So I would think that if you wanted a recommendation, in principle the idea makes sense but it may need to be tailored by virtue of special considerations in the other services.

Q All right, sir. To go back to the chronology of Project SNOWBALL, the TOW missiles, you indicated that [redacted] and I think you told us in April that you and Secretary Marsh and General Thurman, the Vice Chief, were kept informed of these matters; is that correct, sir?

A Yes. We also brought our execs into the circle because that is a double check. The Secretary and I and the Vice Chief are very busy people, although I don't think the Vice Chief brought his exec in, but my exec, General Peay, Brigadier General Peay was involved and knowledgeable, and Brigadier General Kavessa, the Secretary's military assistant, were knowledgeable.

Q Am I correct in saying that you and Secretary Marsh never got involved in the pricing issue on the TOWs?

A Never, other than we were going to be reimbursed, whatever the reimbursement figure was.

Q I'll have a couple of pricing questions for you later just to see if certain issues percolated up to you.

Did you keep Mr. Taft, the Deputy Secretary of Defense, apprised from time to time of these developments?

A Yes, I did, on secure phone or face to face, that we were in fact complying with the requirement.

Q Is this just mainly to tell him that the Army was executing on the next delivery?

A Yes, just to close the loop with him. Now he did tell me one time, he said, don't tell my exec because he doesn't know about this up here. Only I do or the Secretary of Defense, the Military Assistant to the Secretary of Defense, and probably Mr. Armitage. Those are the only the only four that knew about it.

Q Mr. Taft told you that?

A Yes.

Q Did he mention Noel Koch in that listing?

A No.

Q For the record, did you ever, prior to these matters becoming public, did you ever hear Mr. Koch's name from anyone in connection with these matters?

A No. But that doesn't mean that somebody up there took it on his own, as I did, the Secretary and I did, to keep our execs knowledgeable.

Q Yes, sir. Were you aware contenporaneous with the meeting of these requirements that the CIA was operating with any ceiling on the amount of money that they had at their disposal?

A No.

Q Were you ever made aware of any pressure by anyone within the Army or outside of the Army on Army officials to keep the price down that was charged to the CIA?

A No. We didn't get into, as I say, the pricing at all.

Q All right. I want to walk you through a few exhibits and I want you to understand why I am going through them. You have clearly indicated that you weren't involved with the pricing decision but what I would like to do, and I think I can do this fairly quickly, is to show you some things that are curious to us as we attempt to finalize where the facts are and piece this together and write our report.

I'm going to go through these individually, but I can do it fairly quickly, and I recognize, General, that these documents were executed at a very low level and I'm not expecting you necessarily to have ever seen them before or to be familiar with how they were created or who created them.

Let me have this marked as Exhibit 2.

(The document referred to was marked Wickham Exhibit Number 2 for identification.)

I'll give you a few moments to look at it. What you are looking at, sir, is something called a Material Release Order or MRO, and it's an Army MICOM form 496, and I apologize for the poor quality. These are many generation copies. But what you are looking at is the release order prepared by the Army Missile Command at Redstone Arsenal. You've got three pages there. The top page is for the first shipment, the second page -- and you can tell that under the quantity block, the first shipment on page one shows the quantity here of 1,000.

A And there's the unit price, 8935.

Q $8,435. The second page is for the quantity of 508 and it bears the unit price of $8,435. And then the final quantity on shipment three is 500, and bears the unit price of $8,164.

Now this was prepared by the TOW item manager and that price was put in there. Now let me say, for your information, to refresh you and also for subsequent readers of the record, as we now know, if you went at this time to the AMDF, the Army Master Data File, to look up a basic TOW missile you would see that the price for a TOW, a 71-Alpha, was $3,169.

Within the first week or so of working the requirement the Army ascertained that in order to provide these missiles in Condition Code A, which the Agency had specified, they would need to have a safety modification or a missile ordnance inhibitor circuit, a MOIC, which costs roughly $300. And the Army, General Russo's Indians, apparently added $3,169 and $300, as it seems logical to do, and concluded that the price for the basic TOW with MOIC would be $3,469.

Unfortunately, as we have learned, if you go to the AMDF you find that a basic TOW with MOIC has a separate stock number. It becomes a 71-Alpha-II and it has a list price in the AMDF of $8,435, and it's that price that was entered into the Materiel Release Order by Army officials at Redstone Arsenal.

Now as this process, as the requirement worked its way through the system, the next document we see -- and that is Exhibit 3 -- is the ammunition planning work sheet.

(The document referred to was marked Wickham Exhibit Number 3 for identification.)

And this is prepared at Anniston Army Depot, where, as you know, the TOW missiles were stored. And what is relevant here is in the quantity block of 1,000 you see that the total price is $8,435,000, which our quick division will tell us works out to $8,435 each for the unit price. So that was the price provided at Anniston Army Depot as this was made known to them.

The next document that I ask you to look at, it's a number of different iterations of the same document.

(The document referred to was marked Wickham Exhibit Number 4 for identification.)

This is something called the DD Form 1348, and it is a standard transfer document, and it's to transfer from Anniston Army Depot to the Army Missile Command at Redstone and if you look in the quantity block you will see quantity of missiles of 1,000 and then the unit price again is $8,435. This was prepared at the Depot to go with the missiles physically as they are transferred up to Redstone Arsenal, where they were then subsequently turned over to CIA.

The next bit of the paper trail as we get to Redstone -- and there's one of those. They broke up the lot of 1,000 TOWs into so many per, I guess, truck or pallet or whatever, and so that's why you've got several iterations, because each one represents some portion of that 1,000.

And that's the same for the next exhibit. And this is essentially the same document as it gets to Redstone Arsenal, with two exceptions.

(The document referred to was marked Wickham Exhibit Number 5 for identification.)

You will notice a signature block and a gentleman named Chris Leachman signed for these TOWs at Redstone. Mr. Leachman at the time was the chief of the

Logistics Branch in the TOW missile project office. He's now the Deputy TOW Project Manager. But if you look in the upper righthand corner at the price block, you will see that it now is blank.

So as these missiles got to Redstone and as the transfer documents accompanied them, somehow at Redstone the price gets removed or doesn't show up as that document is created.

Then if you would look at the next exhibit, sir, this is again the DD Form 1348.

(The document referred to was marked Wickham Exhibit Number 6 for identification.)

And the signature there at the bottom is Major Chris Simpson, who worked --

A For General Russo.

Q That's correct, sir, and he was taking receipt of these missiles on behalf of the Deputy Chief of Staff for Logistics. And again the cost block is blank.

The final exhibit is to show you -- and these are all with regard to the first shipment -- to show you what happens as we get to the level of transfer from the Army to the CIA. These, by the way, have all been declassified by the White House, so what you see here, the names of certain Agency officials have been redacted, and Major Simpson has signed at the bottom.

(The document referred to was marked Wickham Exhibit Number 7 for identification.)

There is an Agency individual who has signed and then the price reappears on the DD Form 1348 and the price there is $3,469, which, as I said earlier, is the price that was initially determined by Major Simpson to have been the correct price for the basic TOW with the MOIC.

My question to you, sir -- and again I don't expect you to necessarily have seen these documents contemporaneously -- has this I'll call it a price discrepancy, even though that has a pejorative connotation, it's a curious element to us, has this ever been brought to your attention?

A We did an Inspector General review of the pricing after all of this came about, the discrepancies about the prices, and what we were actually owed by the Agency and had they paid us enough, and that's when we began to unearth this kind of administrative discrepancy. It is confusing. It's confusing to have two prices to begin with, and I don't know the reason for that.

So the Secretary and I were aware of it sort of ex post facto when we got into the issue of well, what was the price and why was there any negotiations about pricing, et cetera, et cetera. And that's when we said we'd better get an IG investigation and take testimony and look all through this.

And, as I recollect, as a result of that investigation -- and I don't know whether you've seen that --

Q Yes, sir, we have, and in fact that was the first document.

A There was a discrepancy on price, but it appeared from the result of that there wasn't any negotiations with the Agency. This was sloppy administrative error that led to this variation.

Q My question is, to your knowledge did the Army Inspector General report specifically address the paper trail and the discrepancy in the documents and, second, if it did, do you know whether they reconciled the different prices that existed on the paperwork at Redstone?

A Well, let's see. I have not seen these documents before. Whether they were in the IG report in detail, I can't say. The IG was charged to examine the whole subject from the alpha to the omega, and it took some time to get an answer. We were under considerable pressure from the Office of the Secretary of Defense to get a report so that he would have an accurate knowledge so that he could explain the issue to whomever needed it explained.

So I really can't say that the report completely explained the discrepancy other than it made the judgment, as I recollect, that it was simply administrative error, sloppiness, that led to this kind of variation, that in fact the Agency did owe us more money.

Q Has it ever been brought to your attention that the Agency was billed on the third shipment of 500 missiles for missiles being in condition Code A -- that is, missiles with the safety modification provided -- and yet on the third shipment no safety modifications were put on those missiles?

A That's news to me. I didn't know that.

Q Let me ask you if you were aware of any request to the Army or tasking on the Army in late 1985-- this is before SNOWBALL in January of '86 -- to either directly provide arms to Iran or provide arms to Israel to replenish TOWs or HAWKs which they had already sent to Iran?

A I'm not aware of any entreaties that way.

Q Now let me show you a document that I don't have any reason to believe you would have seen yet you may have heard of its existence because it's been an exhibit on a couple of occasions. It was an exhibit in June at our public hearings when Dr. Gaffney, the Director of Planning for DSAA, testified, and it was an exhibit when Secretary Weinberger testified.

This is something that we call, for lack of a better term, the TOW paper.

(The document referred to was marked Wickham Exhibit Number 8 for identification.)

It was prepared at the request of Mr. Armitage by Glenn Rudd, the Deputy Director of DSAA and Dr. Gaffney, and I would specifically address your attention to the bottom half of the page where it talks about I-TOW and note that it doesn't talk about basic TOW but it talks about I-TOW. Let me give you a moment to read that and then I'll tell you what you're looking at.

(Pause.)

A Well, this is all news. I've not seen this before. It looks like this is something to replenish stocks.

Q Yes, sir. Let me tell you. I'll ask you some questions and certainly give you a chance to reply, but let me tell you what the history of this is and it will make a little more sense to you.

In the Novmeber '85 time frame Colonel North was looking at the prospect of us supplying the Israelis with 3,300 I-TOW missiles, and in fact they had also looked at the prospects of supplying the Israelis 500 HAWKs, not repair parts but entire missiles -- 500. Colonel North asked General Powell to look into the availability of 500 HAWKs. General Powell contacted Dr. Gaffney, who immediately determined we didn't have 500 HAWKs available. We had perhaps 120 in the pipeline intended for other countries through FMS sales that we could divert.

So the number of 120 was being used. Although we never provided 120 HAWKs to Israel, that was the plan, for Israel to ship 120 HAWKs to Iran, and in fact 18 HAWKs were shipped, although 17 of them subsequently came back from Iran to Israel. Then they looked at the possibility of 3,300 I-TOWs. As we know, that never happened.

My question to you first is simply a refinement from the previous question. Were you ever made aware that the Army might be tasked to provide 3,300 I-TOW missiles to Israel and, second, if you had been, what would have been your response in terms of the readiness impact?

A I was not aware of this. I don't believe the

Secretary was either. That's not to say that there wasn't some low level staff communication between DSAA and the Army staff to gather this kind of information. My reaction would have been that, as is laid out here, that's a substantial number of TOWs to deliver to Israel.

Q Of I-TOWs?

A Of I-TOWs, improved TOWs.

Q I take it there would be a difference in terms of readiness for us providing I-TOWs versus basic TOWs?

A Oh, yes, because the I-TOW is in the hands of our troops. It's not unusual for the Army to take a negative position on providing of assets to foreign governments, and periodically we are overruled for policy considerations.

Q All right, sir. I thnk you've covered this, but at any time as the Army was executing on the TOW and HAWK requirements were you ever made aware that this was being done pursuant to a Presidential Finding?

A No. The word Finding never came up, nor did we ask about it. We accepted the directions from legitimate authorities, the Deputy Secretary of Defense Taft and Colin Powell, acting for the Secretary of Defense, and I think it's appropriate to make a comment here.

I used to have the job that Colin Powell did, as you mentioned very early here, for two Secretaries of Defense -- Schlesinger and Rumsfeld.

Q That would be from 1973 to 1976?

A Exactly. And so I understood the importance of that office, military office. He is probably more valuable to the Secretary of Defense in carrying out actions than most officials in the Department of Defense. And Colin Powell had a special relationship with the Secretary of Defense. Therefore, when Colin Powell spoke you better pay attention that he sort of spoke with the authority of the Secretary. The Secretary was aware of it.

So even though the Secretary didn't directly say it, when Powell called you knew where it came from. And in that sense we recognized these must be legitimate orders, so we didn't go back and say well, now, show me the piece of paper. I want to see the Finding itself. You can't conduct business like that in the building and get things done. You've got to have an element of trust by trusted officials.

Q Let me simply say for the record that in the questions we have asked, based on all of the investigation we have done, there is no hint that there would be anything improper about the Army simply taking a directive from General Powell, as you have stated, on the authority that he had and execute it.

A I must say, however, we are now as part of [redacted] [redacted] process eyeballing the Findings.

Q As I understand it, that is a change that's been implemented by Mr. Carlucci, the new National Security Advisor, to provide the Army General Counsel with a hard copy of the Finding; is that correct, sir?

A I don't know whether when Frank arrived over there or whether it began before that, but that may be. You may be right on the timing.

Q Let me go back [redacted] for just a moment and this deposition is codeword-cleared. Let me just ask you for the record when I asked you earlier about the fact that we had provided some very sensitive support to the Agency and those requests have gone through [redacted] I take it that would include such things as [redacted] is that correct, sir?

A Correct.

Q And those are very sensitive important national security matters.

A Yes.

Q But we still put them through the system?

A That's right. An interesting point there.

Through [redacted] and going back to an earlier question, you said are you ever aware of things that get outside of it. Occasionally the Secretary and I got reports that the Agency had been dealing with elements in the Army Materiel Command without our knowledge, and so you may have seen -- I put out a couple of memorandums as Chief of Staff to emphasize again the importance of [redacted] and that there was to be no transactions without [redacted]

So it's not inconceivable from time to time that through ignorance or other reasons that there may be contacts made and the [redacted] is not followed to the letter.

Q But if I understand what you're telling us, and we've been told that by any number of individuals, you are talking about something at a lower level where somebody at the Agency has a personal relationship with somebody in the Army.

A Exactly.

Q But, as I understand it, the effort has been made to force those back through the system when you find out about them.

A Yes.

Q All right, sir. Before we leave this point -- and I'm about ready to go into the HAWKs -- I want to show you the next exhibit, and you are probably familiar with that. That is a memorandum from General Vuono, who then was the Deputy Chief of Staff for Operations and Plans, to the Director of the Joint Staff last April, dealing with [redacted] and requests from the Agency.

(The document referred to was marked Wickham Exhibit Number 9 for identification.)

Are you familiar with that?

A Yes. General Vuono was my Operations Deputy in the JCS arena. He and I talked about this process here and that it appeared we were not doing it strictly according to [redacted] and I thought it would be valuable to have him communicate directly with the Director of the Joint Staff to try to be sure that the magnitude of these requests and the process of handling these requests was cognizant -- was a matter of cognizance to the JCS.

Q Let me ask you a couple of questions about this memorandum. First, the actual substance which generated this was not SNOWBALL or CROCUS and didn't directly bear on the matters our Committee is looking into; is that correct, sir?

A As I recollect, no. It was just the general process.

Q Let me ask you to look at one or two statements in it and simply see if you agree. In the first sentence -- now you are looking at the declassified version of this. The White House has deleted the [redacted] from this document. But it says: "The [redacted] system provides a single channel for requests for support from the Central Intelligence Agency to the Department of Defense."

I want to focus on the word "single". Is it your understanding that [redacted] was to be the exclusive means by which support was provided to the CIA?

A Well, I would agree with that. [redacted] And [redacted] is the system that I am familiar with.

Q It would at least be true in terms of the Army?

A Yes. I guess that's right. You focused it.

Q And in the last paragraph General Vuono says:

"Requests which bypass [redacted] system receive less service and no Joint Staff scrutiny, yet can impact the service's warfighting capabilities." Would you agree that if we go past the system we don't adequately get these matters staffed in the way that they should be?

A Amen. That's what [redacted] is all about.

Q And it's conceivable that we could have a readiness impact that wasn't fully staffed out if we didn't go through the system?

A Correct.

Q And, finally, for the record, sir, I believe it's true that General Vuono is now in your previous position and that he's the new Chief of Staff of the Army?

A Yes. He and I talked about the magnitude of the requests and that they would be impacting on the service's capabilities, warfighting capabilities -- [redacted] HAWK parts, TOWs -- and our conclusion was that's something the Chiefs need to be aware of because it is impacting on the warfighting capabilities of the services.

So we need to be sure that it's [redacted] So that's what generated this memorandum.

Q Let me go back to something you said earlier and in fact that you talked about when we interviewed you in April. You said from time to time the Army may make a negative recommendation in terms of some requirement and you will be overruled, and I think we should talk about that for a moment.

I guess it's fair to say there's nothing improper about people at a higher level who have a broader vision or broader mission to look at things in a broader, more general way than you might or the Secretary of the Army. There's nothing wrong in them saying that in the broad national interest it's more important that we go forward than the Army have a few more of its missiles or whatever in a stockpile.

Is that a fair statement?

A Yes.

Q Would it be your sense that you would not object to that process, as long as that decision at the top is an informed decision and it's been fully vetted and staffed?

A Correct, right.

MR. SAXON: I am prepared to leave the TOW topic. Maybe Bob or Roger has a TOW question they could ask now rather than later.

MR. KREUZER: I don't have a question.

BY MR. SAXON: (Resuming)

Q General Wickham, let me focus now on the HAWK missile tasking and simply for the first minute or two get you to walk us through what the chronology was there. I think that tasking did come directly to you from Mr. Taft when you were in a meeting on or about April 9 with the Joint Chiefs in the tank; is that correct, sir?

A That's correct. Mr. Taft called down on a secure phone and wanted to talk to me, and so I came out of the meeting, sat in a secure room there, and took the phone call from him. And he said now we need -- we've been on the HAWK -- I mean, we've been on the TOW issue here, but, John, we need to now move into some HAWKs with the Agency, and I think he mentioned the figure 240 line items of HAWK parts, and if you would arrange for your logistics people to deal -- I think the man's name in the Agency was [redacted] -- talk with [redacted] about the details of it, reimbursement, where and all of that.

Okay. So I called General Russo down to the tank and in that secure room I gave him the same instructions, and he then subsequently -- I'm sure you've talked with him, got a deposition from him -- did get [redacted] and that process began. And then subsequent to that time Russo told me that some of the deliveries had already been started.

And so I kept Taft informed about the process here. Now that doesn't mean that I was aware -- the same way with the TOWs -- aware of every transaction. We may have delivered 100 here or 200 there. I was not aware of that, of the detailed transactions.

Q And we understand that once the Army begins to execute it's not necessary for those kinds of details to come to your attention. There are one or two details that I want to ask you about on HAWKs. Is it your understanding, did Mr. Taft make clear to you that this was a follow-on to the TOWs?

A Yes.

Q And did you understand that to mean that it would be the same project or the same customer?

A Clear in my mind, because he related them. They were related. Once again, no destination, but I suppose you could say well, if you thought about [redacted] months earlier, now with HAWK missiles, wasn't there something incongruous because I don't believe [redacted] HAWKs, and the thought never crossed my mind, to be honest.

Q And did Mr. Taft make clear that this was sort of to be handled in the same way -- few people, no notes, close hold, et cetera?

A Yes.

Q Let me ask you about the readiness impact with regard to these HAWK parts. When we talked back in April

I believe you told us that you didn't see any of the readiness data before the fact; is that correct, sir?

A That's right.

Q The Department of the Army Inspector General report indicated that with regard to the 234 repair parts which were requested that 221 were actually provided, and when the Army Missile Command specialist who worked the HAWKs began to look at this list of repair parts they made an initial determination that to provide them would result in significant depletion with regard to 46 of those parts if they provided the quantities requested.

They broke that number of 46 down in the following manner: 15 of the parts would deplete Army inventories 100 percent; 11 of the parts would be depleted in excess of 50 percent; and 20 of the parts would be depleted less than 50 percent but still to a significant level.

The first question -- and I think this is answered by your previous statement -- but those specific figures were not brought to your attention; is that correct, sir?

A Correct.

Q Now to just state that would be a bit misleading because, as we have learned, that readiness figure of 46 in large part was keyed to the quantities requested, and as this was worked and there was a lot of back and forth between the Army and the CIA some of those quantities were decreased so that even though the parts were provided it wasn't in the same quantities so the readiness impact wouldn't be the same.

A I seem to recollect -- I can't tell whether it's after the fact or during the process -- I seem to recollect that with the HAWK parts there was some discussion of readiness impact. It's not as easy to accomplish as with the TOWs. But I can't be sure that this was after the fact, the way we are talking about it now, or whether it was in the process. But I have in the back of my mind some awareness that there was a readiness implication.

Q Do you know when that awareness came? I mean was it contemporaneous with this or was it after, later?

A I'm not sure. See, it's all kind of a melange. Is it a result of this kind of discussion or did Russo mention that we may have some implications here on readiness to me? I'm not sure, but I have something in the back of my mind that says yes, it's not as easy as it was with the TOWs.

Q We clearly understand the difficulty in asking people, number one, to recollect things that took place a year and a half ago and, number two, to separate out what you knew then from what you've learned since, so we sympathize with that problem.

Let me ask you about a specific part and a specific matter that I just found out about this Monday when Colonel Wallace and I were at Redstone Arsenal interviewing and deposing some of the HAWK repair part specialists. We spent time with two individuals, a gentleman who oversees all air defense systems -- the Redeye, the Stinger, the HAWK and others, I guess -- and the individual, both Army civilians, who oversees specifically HAWK repair parts.

And we talked through these numbers and the readiness impact and we were told that with regard to one of these parts -- something called the [redacted]

As they worked this requirement and looked at the availability, they determined that they had [redacted] of these in Army inventories worldwide. The Iranians requested [redacted] of them -- I say Iranians. Obviously they didn't know these were intended for Iran, and in fact you didn't, as you've told us, but the customer requested [redacted] They indicated to Major Simpson that, A, they couldn't provide [redacted] we only have [redacted] and they would prefer not to provide those because, as they indicated to us, this part is of such criticality that if it goes down it will entirely deadline the system.

In fact, there was some back and forth between Simpson and the Agency, but ultimately a listing of parts that were required to be provided was datafaxed from DALO down to Redstone and in fact the Army provided all [redacted] [redacted] to the CIA for Iran.

We were told on Monday that this has still presented some readiness impact because even though the Army Missile Command has attempted to accelerate the procurement of those in the pipeline and accelerate those that are being maintained at various depots that we still have active Army units with stockage shortages.

The first question: were you ever made aware of any of this?

A No.

Q Had you been made aware of it, assuming that what I have stated is an accurate representation, would that have concerned you?

A Yes. And that is the kind of thing that we would have gone to Will Taft about and said, look, we've got a requirement here you've laid on us, but now we have some serious implications and we recommend strongly against it.

MR. KREUZER: John, when we speak of system here, [redacted] could go down because this part was not functioning? I mean, I was just saying that to clarify.

MR. SAXON: Is that correct, Colonel Wallace, as you understand it?

COLONEL WALLACE: Yes.

BY MR. SAXON: (Resuming)

Q [redacted] as I understand it, if that's correct.

A Well, these may have been spares that were generated as a result of maintenance floats, and so you need a degree of a float, and [redacted] does not sound like a large float to me, and to draw it to zero sounds like not very sound judgment.

MR. SAXON: I think that's all I've got on

HAWKs. Gentlemen, do you have anything further? All right.

BY MR. SAXON: (Resuming)

Q There are one or two things I want to ask you, sir, before I look at a couple of contra-related matters. What would be the possible reasons why the Army would choose not to meet a request from the Agency? When we talked with you in April you told us there would be several possible reasons. Readiness might be one. What would the others be?

A Well, readiness is the legitimate issue. There have been occasions when we have taken issue with them, for example on the [redacted] Why don't we have a better procedure for controlling them? We are uneasy about the numbers that are being provided in the case of [redacted] Can't we have a better arrangement on procedures rather than sort of an open letter of credit? One might argue that's none of your business, Mr. Army; the Finding calls for a certain number and the only legitimate basis you have to take issue is one of readiness. But the Secretary and I, and Jim Ambrose, the

Under Secretary, have gone beyond just readiness.

The JCS have talked about that also in the case of [redacted]

Q Don't tell us there is a new fact here we have missed.

A No. [redacted] because we were uneasy for the same reasons about just numbers. So that's the basis.

Q So if I understand what you're telling us today and what you told us in April, readiness would be one reason. Second would be [redacted]

A Procedures for accountability is the other one.

Q And would it be possible that one of them would simply be a difference of opinion about the wisdom of providing the support?

A That's a third one, because [redacted] But that's a policy issue that's got little to do with readiness. And we've had some discussions about that.

Q All right, sir. I realize I do have one leftover HAWK question. Simply for the record I believe it's correct that you never got involved with the two HAWK radars that were part of the request that were located but found to be part of the Iranian frozen assets; is that correct?

A Right.

Q Did you ever get involved in what we call the [redacted] which came from the Agency for [redacted] and ultimately Secretary Marsh took this issue to Mr. Taft, and the support was not provided? Was that something you became aware of?

A I was not directly involved. I was aware of it. I may have been out of the country and the Vice handled it.

Q And while I think I asked this in the context of the questions about 1985, as far as you know, the Army was never asked to provide any HAWKs or HAWK repair parts prior to April of 1986 for Iran or for replenishment to Israel; correct?

A To the best of my knowledge; that's right.

Q Let me ask you briefly about something called [redacted] Let me take a minute to explain what that is because, as we've learned, there are many of these operations and while you may at the time know exactly what that one means they probably, at least for me they tend to blur together.

This was [redacted] Is that something that you were aware of at the time?

A No.

Q Have you subsequently learned anything that you could share with us about [redacted]

A No, other than what I read in hearings or had seen on the hearings and read in the newspapers.

Q All right, sir. Let me turn for a moment to the contra side of these matters and let me start by asking just a general and open-ended question. I guess for the record you had no knowledge of any effort to divert arms sale monies to the contras; is that correct?

A No knowledge.

Q Are you aware of any efforts while you were Chief of Staff or, I guess, conceivably while you were the Vice, during periods when the Boland Amendment or one of the other of the Boland Amendments, cut off direct U.S. Government funding to the contras, are you aware of any efforts in which the Army was involved to bypass the Boland Amendment and get arms to the contras?

A No, not to bypass the Boland Amendment. I obviously am aware that we were providing materiel to the Agency consistent with authorized funding.

Q And there were times when that was appropriate and legal, so my question doesn't include that.

Sir, I want to ask you about the activities of our two SOUTHCOM commanders at various periods, first General Gorman and then General Galvin, with regard to one or two things that they may have known or may have been involved with in terms of what we call the private supply operation or the resupply operation which Colonel North, I think it's fair to say, directed.

I guess for the record the SOUTHCOM commander in no way reports to the Chief of Staff of the Army; is that correct, sir?

A That's right.

Q That reporting channel is direct to the JCS?

A Right. However, being Army he does wear an Army hat in the sense that he has Army forces, and so there is a relationship, formal and informal, with the

Army.

Q General Wickham, the Committee has heard testimony, sworn testimony, from a gentleman named Felix Rodriguez, who spent some time in Central America working in, I don't think it's unfair to say, ways at the direction or request of Colonel North to aid the resupply operation during the time when the Boland Amendment cut off all U.S. Government funds for the contras.

Were you ever made aware by General Gorman that he was in any way involved in discussions with Mr. Rodriguez, facilitating his arrival down there, or giving him any advice as to what he should be doing in terms of the contras?

A No.

Q Let me show you for the record the next exhibit, which I believe will be Number 10.

(The document referred to was marked Wickham Exhibit Number 10 for identification.)

Let me just give you a minute to take a look at it and then I will ask you a couple of questions.

(Pause.)

A I don't recollect seeing this. This is a NODIS?

Q As far as I know, sir, you would not have seen any of these, although if you did you can certainly tell us.

(Pause.)

A Well, General Gorman had extensive connections back in Washington here with the Agency and with State, and General Gorman as a style of operation was very non-bureaucratic.

Q Well, we've discovered that in terms of some of these back channel communications. Let me just walk you through parts of each of these.

The first is a State Department cable from Ambassador Pickering and it's dated 12 February 85. Within it it contains the text of a message. He says: "The following message was received by Ambassador Pickering from General Gorman on February 8", and it deals with Felix Rodriguez who was the subject, and it states: "Subject has been put into play by Ollie North. Ollie assures me that he will pass word to Rodriguez to get in touch with me before he goes any further. I will arrange to have Rodriguez come to SOUTHCOM for discussions. We can then decide whether it will also be useful for him to inspect El Salvador air force operations. But Ollie assures me that his intent was to focus Rodriguez on forces operating elsewhere in Central America."

And then the last sentence: "Ollie rogered and said that Rodriguez can be much more useful in other places where aid and advice is much scarcer."

If you would look at the second document in this exhibit, it's dated 14 February, two days later. It's for Ambassador Pickering and Colonel Jim Steele, who was the Army colonel who was the Mil Group commander in El Salvador from General Gorman, subject Felix Rodriguez. I just want to read a couple of sentences from it. In paragraph one General Gorman states: "I have just met here with Felix Rodriguez."

In paragraph two: "Rodriguez' primary commitment to the region is in [redacted] where he wants to assist the FDN. I told him that the FDN deserved his priority."

In numbered paragraph four, General Gorman says: "I recommend that Jim Steele meet with him." And then, in the last paragraph: "Assuming your approval, I will send Rodriguez to [redacted] tomorrow, 15 February, in one of my C-12s."

Then, finally, the last document is from Ambassador Pickering back to General Gorman, and there's no date on it, but from the text of it it's about this same time and follows in sequence. He says, in paragraph one: "I had a valuable meeting with Felix Rodriguez

February 15", which would suggest that General Gorman's proposal that he leave SOUTHCOM and go up was followed.

And then in the last paragraph on that page he says: "Rodriguez will return in three to four weeks to work with Bustillo, FAS and Steele. Steele will monitor closely."

My question to you, sir, very simply is were you ever made aware of any involvement by General Gorman or Colonel Steele in working with, discussing, assisting or facilitating any of Mr. Rodriguez' operations?

A No.

Q All right. The next questions are along the same lines with regard to General Gorman's replacement as SOUTHCOM commander, General Galvin. Let me just ask the general question if you were ever made aware of any involvement or knowledge that General Galvin had of the contras resupply operation?

A No.

Q And I guess it's implicit in your answers, but I should ask for the record did you ever give any guidance or instruction to General Galvin or General Gorman that they should in any way aid the resupply operation?

A No.

Q All right. Let me give you this memorandum.

Before you look at it let me simply tell you what you are looking at. It's a hard copy memo from Colonel North to Admiral Poindexter dated January 15, 1986, in which he is proposing -- General Galvin is coming to town and he is proposing that they meet regularly.

(The document referred to was marked Wickham Exhibit Number 11 for identification.)

Really what I am directing your attention to there is the last paragraph.

(Pause.)

The question, sir, as you look at the last paragraph, Colonel North states: "You should be aware that General Galvin is cognizant of the activities under way in both Costa Rica" -- parenthetically, that had to do with the private air strip there -- "and at [redacted] in support of the DRF. General Galvin is enthusiastic about both endeavors."

I should say that we have shown this document to General Galvin in his deposition and he said that in fact that is an accurate statement, that he did know about those activities and that in a general way, in terms of the contras needing assistance, that he was supportive of those endeavors.

Let me simply ask if you were ever made aware that General Galvin or anyone in an Army uniform was knowledgeable about the resupply operation during this time period.

A No, not [redacted] I knew that we were [redacted] But I'm not aware of any of this kind of direction with Rodriguez or the [redacted] thing. That was news to me also.

Q All right, sir. I've just got one or two more questions about the topic I'm sure you are probably tired of talking about now, and that has to do with [redacted] YELLOW FRUIT. We have ample testimony from other individuals about that in terms of a lot of the details, and so in the interest of time we're not going to walk you through that. You've already talked a bit about some of that.

But when we talked with you in April you indicated that you probably thought some of that kind of activity had been going on in the Army staff for years and maybe in the other services, and you stated words to the effect that [redacted] and they develop relationships and so forth, it gives rise to that kind of possibility. Is that a fair statement?

A Yes.

Q I indicated earlier that the Committees will be writing a report, are in fact beginning to put together a report as we speak, and we will need to make recommendations about anything that strikes us as worthy of a recommendation, whether it be a need for new legislation or a new procedure or whatever.

My question to you about YELLOW FRUIT [redacted] [redacted] assuming, as I think you have already testified, we need some of the capabilities that those operations were directed at, beyond what the Army has already done with [redacted] and a better awareness generally about these kinds of operations are there any recommendations you think we should make -- structural, institutional, legislative or otherwise -- that would allow us to have that capability but help us avoid the abuses that we have seen?

A I think I mentioned earlier that the conduct of these operations should be [redacted]

And we have tried to insist on that. If the activity then needs additional capabilities -- aircraft, you've got to arrange for an aircraft, you've got to buy them, you've got to go to the Air Force to get them, for example, or we need to buy some other capabilities -- then you have an established procedure [redacted] The conduct of activities, [redacted] operation as a central focus for [redacted] [redacted] is valuable. I think you can [redacted] if you are concerned, if a service is concerned about disclosure of information, very sensitive information. You can [redacted] [redacted] but [redacted] does provide central management, oversight, and legitimate civilian, military, legal, budgetary review, and also, at the proper time, Congressional oversight.

So I would commend the [redacted]

Q Would we needlessly create problems of inflexibility if the Committees recommended that that kind of structure be institutionalized by legislation?

A I think you would be well advised to give a degree of flexibility to the Secretary of Defense to make modifications to a structure, a structure in principle, based on legitimate security considerations.

Q You mentioned the need at appropriate stages for Congressional notification. As you know, our hearings have focused on that issue to a great extent, and there are legitimate concerns within the Executive branch about Congressional leaking and so forth.

My question to you along two lines is, one, do you think that we need a joint intelligence committee smaller in number than the two committees which now exist and smaller in terms of the staff, if that would be a positive recommendation? And, second, how we can better address the problem of the need for Congressional notification and yet the competing consideration for sensitivity in certain matters?

A Well, I know the Tower report recommended a combined committee to reduce the numbers and access, and there may be some legitimacy to the argument of reducing the numbers of people that are exposed to information. I think the Administration supports the Tower recommendation.

I would argue for fewer being knowledgeable. I would also argue that the Congress itself needs to be very careful about assuring professional stature on the staffs of their committees. I think the House does a particularly good job there. I'm not sure about the Senate. You know, you invest heavily in developing experience here and in getting security clearances, and then the Senators or the House members change and they bring their own people in and get rid of these other people that have developed the expertise and the security clearances and bring in fresh people.

I'm not sure that that is a useful process, so I would urge that whether you combine the committees or keep the two committees that you have plenty of need to know and minimize the size of the staffs but you thoroughly professionalize the staffs rather than allow the staffs to become a hiring ground for the elected officials.

And I sense there is a little bit of the latter. I may be speaking out of pocket here, but I think you do a disservice to yourself by letting people go.

Q I think it's those kind of candid assessments that the Committees want. Can you conceive of any circumstances in which no Members of Congress should be notified of covert operations that are being conducted?

A I can't conceive of some right now. Timing of notification may be a factor. The individuals that you single out may be factors. The Majority, Minority, senior member -- you may limit it to that kind of a thing. But I can't conceive of subjects where we should not consult adequately with the Congress. I'm not sort of trying to play to your strength here, but I've always been a strong believer in the constitutional process of our government -- cumbersome, to be sure, but it is established in our Constitution, and I have been a strong believer in it.

Q Sir, there's been a lot of concern expressed about the detailing of military officers to the National Security Council staff and how long they should stay there and so forth. Do you have any thoughts along those lines and should we make any recommendations about limits on the time that military officers can spend on the NSC staff?

A No. I think good judgment argues for flexibility. You may get someone who gets to be especially expert and you reach a crisis point in a particular situation and you may want to keep him there. So I don't see any limit there, and I do believe you need to capitalize on detailing of military officers who have got a lot of experience.

Q Let me put to you an argument or a sense that was conveyed to us in sworn testimony that we have received -- and I won't identify the specific individuals but they are colleagues of yours -- who suggest that although what you say is true, you put somebody on the NSC staff and they do develop that kind of expertise, in fact the exact kind of expertise and institutional memory you said that the staffs on the intelligence committees on the Hill need, they said that there comes a time when those individuals become too invaluable in that they do become the institutional memory for the staff and people then begin to look to them, and having an individual such as Colonel North, who had been there through four National Security Advisors, people -- at least the argument was put to us -- tend to look at him and say well, that's the military input so we don't need to notify the guys in the tank.

Do you have a sense that that --

A That's going to be the case whether you have someone there five years or one year. The temptation might be that you've got the military input because this guy's resident.

Q So that's not really a function of time?

A I don't see that that is a problem. Yes, the individual has got to be concerned for his career and the service needs to be concerned about the individual and his career because you begin to miss various gates of command opportunity and schooling, and I think Colonel

North missed some of those gates, and there is a potential for an officer detailed to become enamored with the position he has and to want to make a career out of it and stay over there and forego all of these other opportunities.

That's not to say that the government is going to be badly served by an individual. It had been badly served.

Q Any other recommendations you've got for us?

A No, sir. I have not followed all of the hearings, so I can't really speak knowledgeably.

Q For what it's worth, some of us haven't either. We've been over in your building.

Bob, Roger, do you guys have anything that we haven't covered?

MR. GENZMAN: I think you've covered what I needed. Thank you for your time, sir.

MR. KREUZER: Thank you.

MR. SAXON: Sir, let me simply say for the record that even though you are now a civilian you weren't up until a few weeks ago. You have had a distinguished military career in serving your country. We appreciate your insight and wisdom and let me just say in your previous capacity that we have found the Army incredibly helpful to us both in a personal way and in terms of the subject matter of our investigation and for your role in that in the earlier part of our investigation we are deeply in debt, and the Committee thanks you for your time.

THE WITNESS: Good. Well, it came at a time when Jacm Marsh and I have known each other for a long time and we served together when I was in OSD and he was there, so the efforts that he and I took to establish [redacted] and get a better handle on [redacted] programs I think came as a result of the close relationship that he and I shared and our common view about the need for the Constitutional process.

MR. SAXON: And that will be the last word. Thank you, General.

(Whereupon, at 11:40 a.m., the taking of the instant deposition ceased.)

____

Signature of the Witness

Subscribed and Sworn to before me this ______ day of

__________________________, 1987.

____

Notary Public

My Commission Expires: ______________________________

12 MAR 86

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Paul,
Put this with the findings

3/12/86

JP

Wickham
Ex. 1
8/14/87 mas

RECEIVED
FBI
NOV 29 1986
Copy is Receipt

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T108

[redacted]/Released on 27 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED

EXHIBIT
CWW-22

UNCLASSIFIED ~~SECRET~~

OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

N 9895

12 March 1986

John
MEMORANDUM FOR ~~VICE ADMIRAL~~ POINDEXTER

The attached memorandum from the Director of the Army Staff is self-explanatory. It reflects the unease of the Army General Counsel's office over the transfer of items with which you are familiar. As you know, we have been handling this program on a very close hold basis, and the Army has been told nothing with respect to destination. Per guidance received from NSC, the Army has been told that they have no responsibility for Congressional notification. The Army has also been told that whatever notifications are to be made will be taken care of at the appropriate time by the appropriate agency and that the Attorney General has provided an opinion that supports this position.

The Secretary asked that I make you aware of the Army's concerns in the event you wish to advise the DCI or the Attorney General.

Colin L. Powell
Major General, USA
Senior Military Assistant
to the Secretary of Defense

Declassified/[illegible] 29 June '87
under [illegible] E.O. 12356
by B. [illegible] Council

1355

UNCLASSIFIED ~~SECRET~~

UNCLASSIFIED ~~TOP SECRET~~

DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF STAFF
WASHINGTON D C 20310

N - 9900

DACS-SD

7 MAR 1986

MEMORANDUM FOR THE MILITARY ~~ASSISTANT~~ Colin TO THE SECRETARY OF DEFENSE

SUBJECT: Congressional Notification of Significant Intelligence Activities (U)

1. ~~(TS~~/NOFORN) On 18 January 1986, the Army responded to a verbal tasking from your office to provide 1,000 TOW missiles to the Central Intelligence Agency with a contingency for 3,509 more at a later date. The first 1,000 missiles were delivered on 14 February 1986 to the CIA.

2. ~~(TS~~/NOFORN) This request for support circumvented the normal [redacted] System for reasons of security, yet the support exceeded the $1 million threshold established in the FY86 Intelligence Authorization Bill for reporting to Congress as a "significant intelligence activity." Funds in excess of $3.5 million were provided by the CIA to reimburse the Army for the first 1,000 missiles. Billing and payment will occur within 60 days, or when all missiles are delivered, whichever is shorter. The Agency expects to complete the project within 60 days.

3. ~~(TS~~/NOFORN) SECDEF memorandum of 13 June 1983, subject: DoD Support [redacted] (S), establishes responsibility for notification of Congress of DoD support to the Agency with the Deputy Under Secretary of Defense for Policy. It also confirms that primary responsibility resides with the Director, Central Intelligence. In the case of the TOW missiles, the Army understanding on responsibilities for notification conforms with your June 1983 memorandum.

4. ~~(TS~~/NOFORN) This memo is to assure understanding of statutory requirements should this issue be raised by one of the Congressional intelligence committees in the future.

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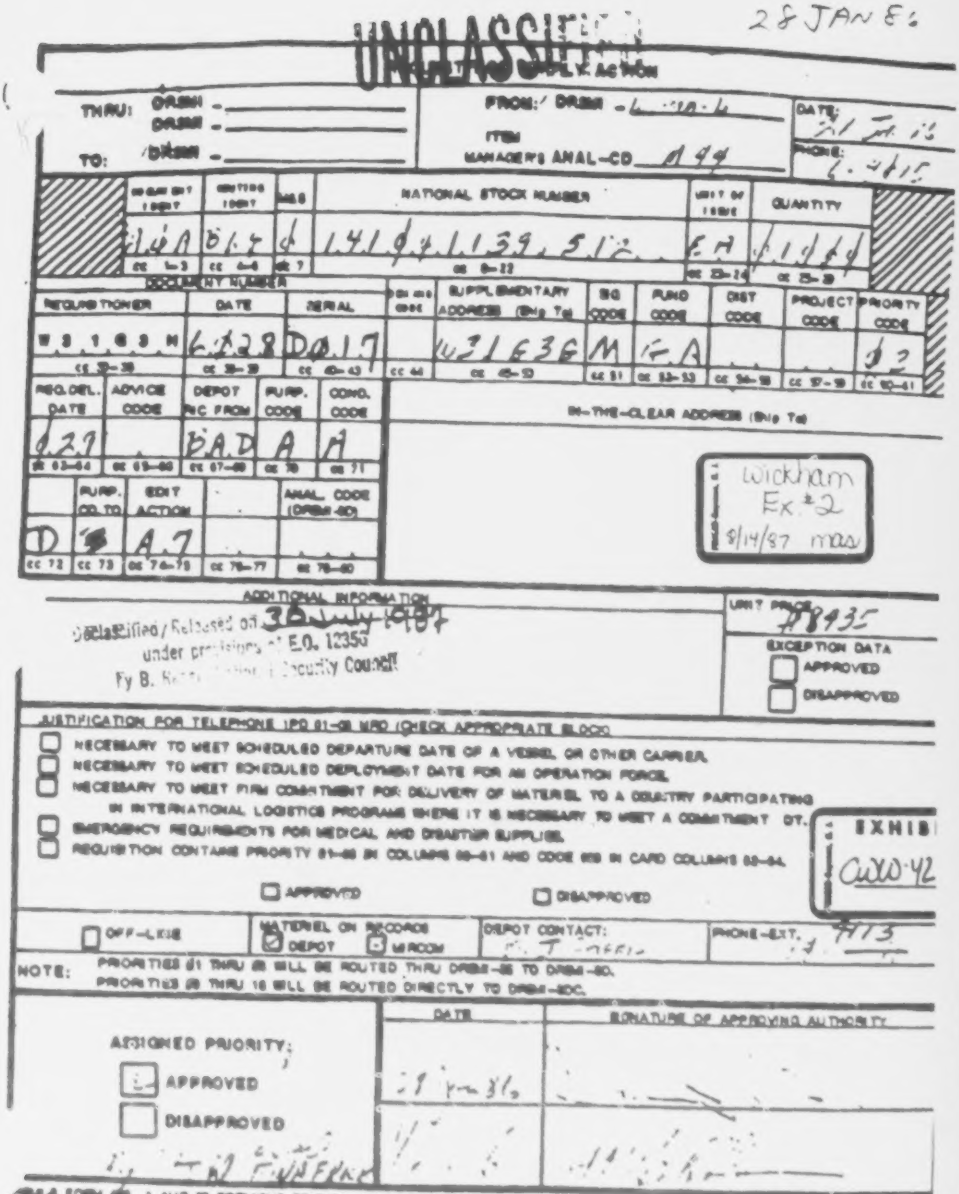
Partially Declassified/Released on 27 Jan 1987
under provisions of E.O. 12356
by [illegible], National Security Council

ARTHUR E. BROWN, JR.
Lieutenant General, GS
Director of the Army Staff

CLASSIFIED BY: DASP
DECLASSIFY ON: OADR

UNCLASSIFIED ~~TOP SECRET~~ NOFORN



28 JAN 86

UNCLASSIFIED

SUPPLY ACTION

THRU: DRSMI -
DRSMI -
TO: DRSMI -

FROM: DRSMI - [illegible]
ITEM MANAGER'S ANAL-CD 044

DATE: [illegible]
PHONE: [illegible]

DOCUMENT IDENT	ROUTING IDENT	M&S	NATIONAL STOCK NUMBER	UNIT OF ISSUE	QUANTITY
A0A	B14	0	141001139512	EA	01000
cc 1-3	cc 4-6	cc 7	cc 8-22	cc 23-24	cc 25-29

DOCUMENT NUMBER

REQUISITIONER	DATE	SERIAL	DEMAND CODE	SUPPLEMENTARY ADDRESS (Ship To)	SIG CODE	FUND CODE	DIST CODE	PROJECT CODE	PRIORITY CODE
W31G3M	6028	D017		W31G3G	M	FA			02
cc 30-35	cc 36-39	cc 40-43	cc 44	cc 45-50	cc 51	cc 52-53	cc 54-56	cc 57-59	cc 60-61

REQ. DEL. DATE	ADVICE CODE	DEPOT RIC FROM	PURP. CODE	COND. CODE
027		BAD	A	A
cc 62-64	cc 65-66	cc 67-69	cc 70	cc 71

	PURP. CD. TO	EDIT ACTION		ANAL. CODE (DRSMI-SD)
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cc 72	cc 73	cc 74-75	cc 76-77	cc 78-80

IN-THE-CLEAR ADDRESS (Ship To)

Wickham
Ex. #2
8/14/87 mas

ADDITIONAL INFORMATION

Declassified/Released on 30 July 1987
under provisions of E.O. 12356
By B. [illegible] National Security Council

UNIT PRICE 78435

EXCEPTION DATA
☐ APPROVED
☐ DISAPPROVED

JUSTIFICATION FOR TELEPHONE IPD 01-03 MRO (CHECK APPROPRIATE BLOCK)

☐ NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.
☐ NECESSARY TO MEET SCHEDULED DEPLOYMENT DATE FOR AN OPERATION FORCE.
☐ NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIEL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHERE IT IS NECESSARY TO MEET A COMMITMENT DT.
☐ EMERGENCY REQUIREMENTS FOR MEDICAL AND DISASTER SUPPLIES.
☐ REQUISITION CONTAINS PRIORITY 01-03 IN COLUMNS 60-61 AND CODE 999 IN CARD COLUMNS 62-64.

☐ APPROVED ☐ DISAPPROVED

EXHIBI
CWW-42

☐ OFF-LINE

MATERIEL ON RECORDS ☑ DEPOT ☐ MIRCOM

DEPOT CONTACT: [illegible]

PHONE-EXT. 4113

NOTE: PRIORITIES 01 THRU 03 WILL BE ROUTED THRU DRSMI-SS TO DRSMI-SD.
PRIORITIES 04 THRU 15 WILL BE ROUTED DIRECTLY TO DRSMI-SDC.

ASSIGNED PRIORITY:
☑ APPROVED
☐ DISAPPROVED

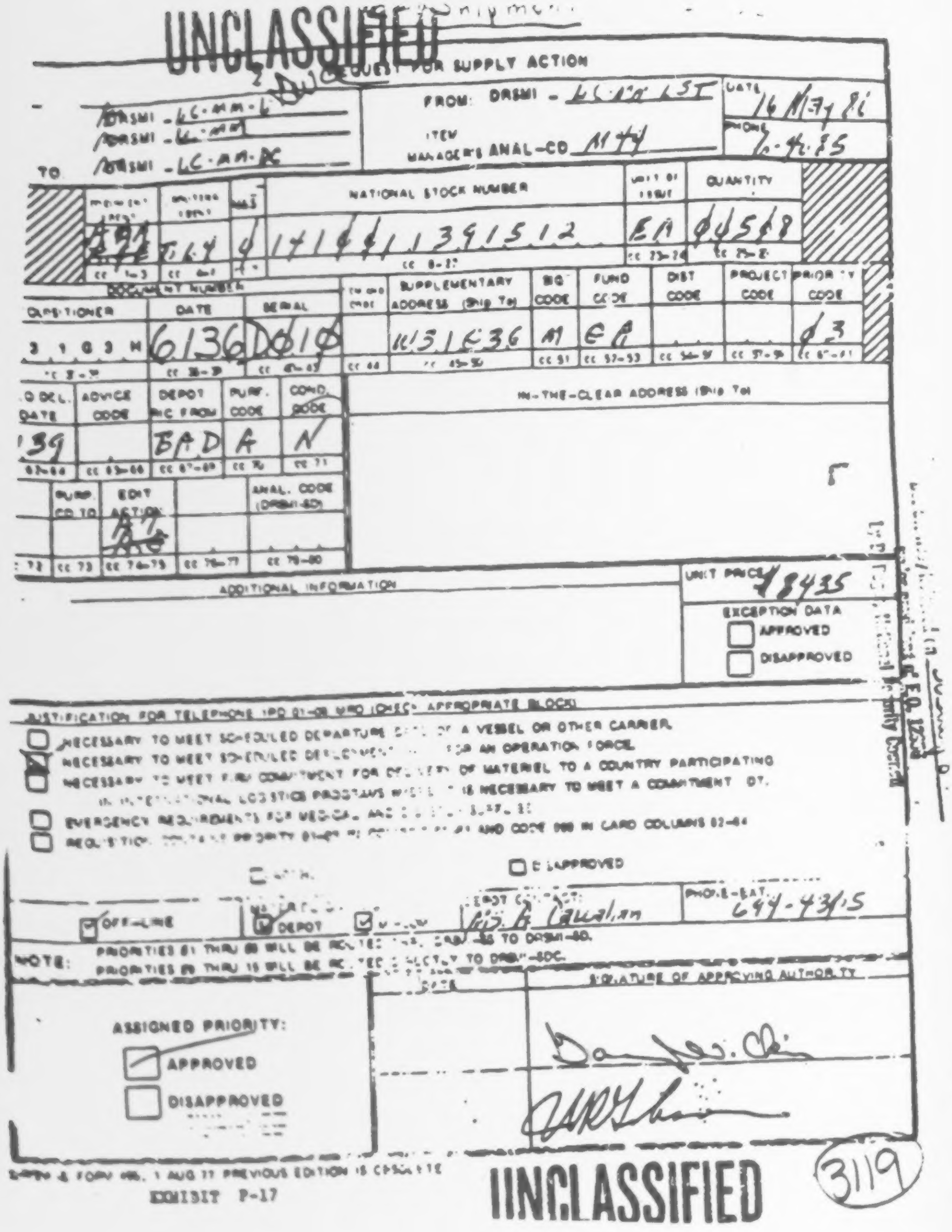
DATE	SIGNATURE OF APPROVING AUTHORITY
28 Jan 86	

DRSMI FORM [illegible], 1 AUG 77 PREVIOUS EDITION IS OBSOLETE

EXHIBIT P-5

UNCLASSIFIED

3118



UNCLASSIFIED

~~Shipment~~

REQUEST FOR SUPPLY ACTION

TO: DRSMI - LC-MM-L
DRSMI - LC-MM
DRSMI - LC-MM-PC

FROM: DRSMI - LC-MM-LST

ITEM MANAGER'S ANAL-CO M44

DATE 16 May 81

PHONE 6-4135

DOCUMENT IDENT	ROUTING IDENT	M&S	NATIONAL STOCK NUMBER	UNIT OF ISSUE	QUANTITY
A0A	T64	0	1410011391512	EA	00508
cc 1-3	cc 4-6	cc 7	cc 8-22	cc 23-24	cc 25-29

DOCUMENT NUMBER

REQUISITIONER	DATE	SERIAL	DEMAND CODE	SUPPLEMENTARY ADDRESS (Ship To)	SIG CODE	FUND CODE	DIST CODE	PROJECT CODE	PRIORITY CODE
3 1 0 3 H	6136	D010		W31G36	M	EA			03
cc 30-35	cc 36-39	cc 40-43	cc 44	cc 45-50	cc 51	cc 52-53	cc 54-56	cc 57-59	cc 60-61

REQD DEL. DATE	ADVICE CODE	DEPOT RIC FROM	PURP. CODE	COND. CODE
139		BAD	A	N
cc 62-64	cc 65-66	cc 67-69	cc 70	cc 71

	PURP. CD TO	EDIT ACTION		ANAL. CODE (DRSMI-SD)
		A7		
cc 72	cc 73	cc 74-75	cc 76-77	cc 78-80

IN-THE-CLEAR ADDRESS (Ship To)

ADDITIONAL INFORMATION

UNIT PRICE $18435

EXCEPTION DATA
☐ APPROVED
☐ DISAPPROVED

JUSTIFICATION FOR TELEPHONE (PD 01-08 MRO (CHECK APPROPRIATE BLOCK)

☐ NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.
☒ NECESSARY TO MEET SCHEDULED DEPLOYMENT DATE FOR AN OPERATION FORCE.
☐ NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIEL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHERE IT IS NECESSARY TO MEET A COMMITMENT DT.
☐ EMERGENCY REQUIREMENTS FOR MEDICAL AND [illegible]
☐ REQUISITION CONTAINS PRIORITY [illegible] AND CODE 999 IN CARD COLUMNS 62-64

☐ [illegible] ☐ DISAPPROVED

☑ OFF-LINE ☑ DEPOT ☑ [illegible]

DEPOT CONTACT: Iris A. Callahan

PHONE-EXT. 694-4315

NOTE: PRIORITIES 01 THRU 08 WILL BE ROUTED THRU DRSMI-SS TO DRSMI-SD.
PRIORITIES 09 THRU 15 WILL BE ROUTED DIRECTLY TO DRSMI-SDC.

ASSIGNED PRIORITY:
☑ APPROVED
☐ DISAPPROVED

DATE

SIGNATURE OF APPROVING AUTHORITY

Douglas W. Chin

DRSMI FORM 485, 1 AUG 77 PREVIOUS EDITION IS OBSOLETE

EXHIBIT P-17

UNCLASSIFIED

3119

UNCLASSIFIED

REQUEST FOR SUPPLY ACTION

D 9257

THRU: DRSMI - ____
DRSMI - ____
TO: DRSMI - ____

FROM: DRSMI - ____ T

ITEM MANAGER'S ANAL-CD ____

DATE:

PHONE:

	DOCUMENT IDENT	ROUTING IDENT	M&S	NATIONAL STOCK NUMBER	UNIT OF ISSUE	QUANTITY	
▨	A E	L T	3	1410-01-147-2347 ~~[illegible]~~	EA	566	▨
	cc 1-3	cc 4-6	cc 7	cc 8-22	cc 23-24	cc 25-29	

DOCUMENT NUMBER: REQUISITIONER	DATE	SERIAL	DEMAND CODE	SUPPLEMENTARY ADDRESS (Ship To)	SIG CODE	FUND CODE	DIST CODE	PROJECT CODE	PRIORITY CODE
W31G3H	6303	D001		W31G36	M	=A			
cc 30-35	cc 36-39	cc 40-43	cc 44	cc 45-50	cc 51	cc 52-53	cc 54-56	cc 57-59	cc 60-61

REQ. DEL. DATE	ADVICE CODE	DEPOT RIC FROM	PURP. CODE	COND. CODE
307		BAT	A	[✓ N]
cc 62-64	cc 65-66	cc 67-69	cc 70	cc 71

	PURP. CD TO	EDIT ACTION		ANAL. CODE (DRSMI-SD)
			PP	
cc 72	cc 73	cc 74-75	cc 76-77	cc 78-80

IN-THE-CLEAR ADDRESS (Ship To)

Materiel To Be Shipped To Arrana at Redstone Arsenal, AL NLT 1400 hrs FL307. BC at Redstone is [illegible] Collier AV: 746-5701/4185 or [illegible] Coward AV: 746-4085/3809. [illegible] Instructions same as their [illegible]

ADDITIONAL INFORMATION

Special Project -

UNIT PRICE $7764

EXCEPTION DATA
☐ APPROVED
☐ DISAPPROVED

JUSTIFICATION FOR TELEPHONE (PD 01-03 MRO (CHECK APPROPRIATE BLOCK)

☐ NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.
☐ NECESSARY TO MEET SCHEDULED DEPLOYMENT DATE FOR AN OPERATION FORCE.
☐ NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIEL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHERE IT IS NECESSARY TO MEET A COMMITMENT DT.
☐ EMERGENCY REQUIREMENTS FOR MEDICAL AND DISASTER SUPPLIES.
☐ REQUISITION CONTAINS PRIORITY 01-03 IN COLUMNS 60-61 AND CODE 999 IN CARD COLUMNS 62-64.

☑ APPROVED ☐ DISAPPROVED

☐ OFF-LINE	MATERIEL ON RECORDS ☐ DEPOT ☐ MIRCOM	DEPOT CONTACT:	PHONE-EXT.

NOTE: PRIORITIES 01 THRU 03 WILL BE ROUTED THRU DRSMI-SS TO DRSMI-SD.
PRIORITIES 09 THRU 15 WILL BE ROUTED DIRECTLY TO DRSMI-SDC.

ASSIGNED PRIORITY:
☑ APPROVED
☐ DISAPPROVED

DATE	SIGNATURE OF APPROVING AUTHORITY
[illegible]	[illegible]

DRSMI FORM 469, 1 AUG 77 PREVIOUS EDITION IS OBSOLETE

P-20

[illegible] 30 July 87
[illegible] of E.O. 12356
[illegible] Security Council

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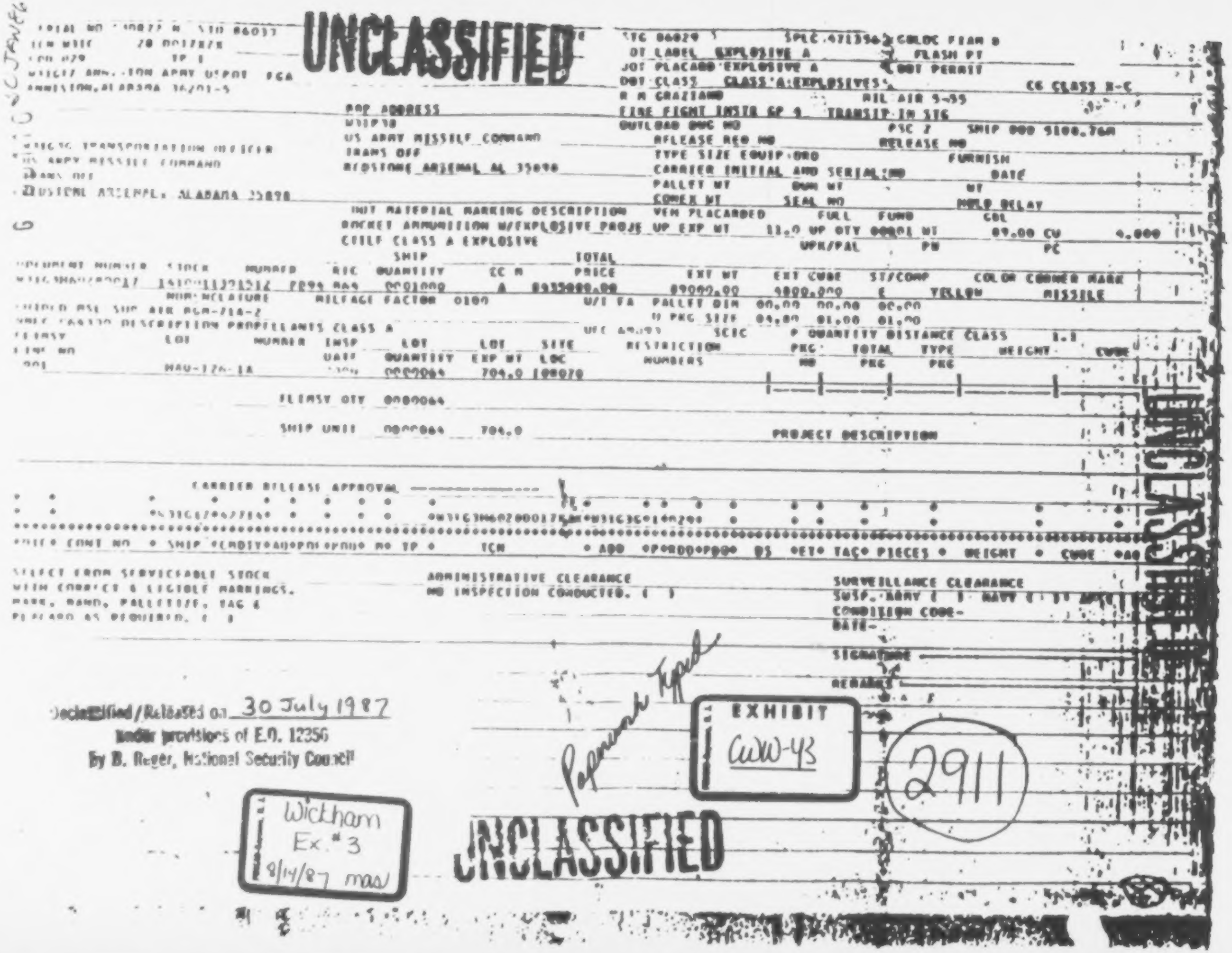
3126



CCJAWE6

G

TOTAL NO 10877 W STD 86033
ITEM WTIC 20 0017878
CON 029 TP 1
W31G17 ANNISTON ARMY DEPOT PGA
ANNISTON,ALABAMA 36201-5

UNCLASSIFIED

STG 06029 SPLC 471356 COLOC FIAM B
DT LABEL EXPLOSIVE A FLASH PT
JOT PLACARD EXPLOSIVE A DOT PERMIT
DOT CLASS CLASS A:EXPLOSIVES CG CLASS B-C
R M GRAZIANO MIL AIR 5-55
FIRE FIGHT INSTR GP 4 TRANSIT IN STG
OUTLOAD DWG NO PSC 2 SHIP DOD 5100.76M
RELEASE REQ NO RELEASE NO
TYPE SIZE EQUIP ORD FURNISH
CARRIER INITIAL AND SERIAL NO DATE
PALLET WT DUN WT WT
CONEX WT SEAL NO HOLD DELAY

POE ADDRESS
W31P30
US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL AL 35898

W31G3G TRANSPORTATION OFFICER
US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL, ALABAMA 35898

G

UNIT MATERIAL MARKING DESCRIPTION VEH PLACARDED FULL FUND GOL
ROCKET AMMUNITION W/EXPLOSIVE PROJE UP EXP WT 11.0 UP QTY 00001 WT 89.00 CU 4.000
CTILE CLASS A EXPLOSIVE UPK/PAL PN PC

DOCUMENT NUMBER	STOCK NUMBER	RIC	SHIP QUANTITY	CC M	TOTAL PRICE	EXT WT	EXT CUBE	ST/COMP	COLOR	CORNER MARK
W31G3H60270017	1410011271512 PR99	B69	0001000	A	8935000.00	89099.00	9800.000	E	YELLOW	MISSILE

NOMENCLATURE MILEAGE FACTOR 0100 U/I FA PALLET DIM 00.00 00.00 00.00
GUIDED MSL SUR ATK BGM-71A-2 U PKG SIZE 04.00 01.00 01.00
UNIT CARGO DESCRIPTION PROPELLANTS CLASS A UFC 69093 SCIC P QUANTITY DISTANCE CLASS 1.1

FLIMSY LINE NO	LOT NUMBER	INSP DATE	LOT QUANTITY	LOT EXP WT	SITE LOC	RESTRICTION NUMBERS	PKG NO	TOTAL PKG	TYPE PKG	WEIGHT	CUBE
001	MAU-126-1A	[illegible]	0000064	704.0	100070						

FLIMSY QTY 0000064

SHIP UNIT 0000064 704.0

PROJECT DESCRIPTION

CARRIER RELEASE APPROVAL

*W31G17*0627160* * * * * *W31G3H60270017*W31G3G*100200*

TCN CONT NO * SHIP [illegible] NO TP * TCN * ADD [illegible] DS *ETD* TAC* PIECES * WEIGHT * CUBE *

SELECT FROM SERVICEABLE STOCK
WITH CORRECT & LEGIBLE MARKINGS.
MARK, BAND, PALLETIZE, TAG &
PLACARD AS REQUIRED. ( )

ADMINISTRATIVE CLEARANCE
NO INSPECTION CONDUCTED. ( )

SURVEILLANCE CLEARANCE
SUSP. ARMY ( ) NAVY ( ) AF ( )
CONDITION CODE-
DATE-
SIGNATURE
REMARKS

Paperwork Typed

EXHIBIT
CWW-43

2911

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under provisions of E.O. 12356
By B. Reger, National Security Council

Wickham
Ex. #3
8/14/87 mas

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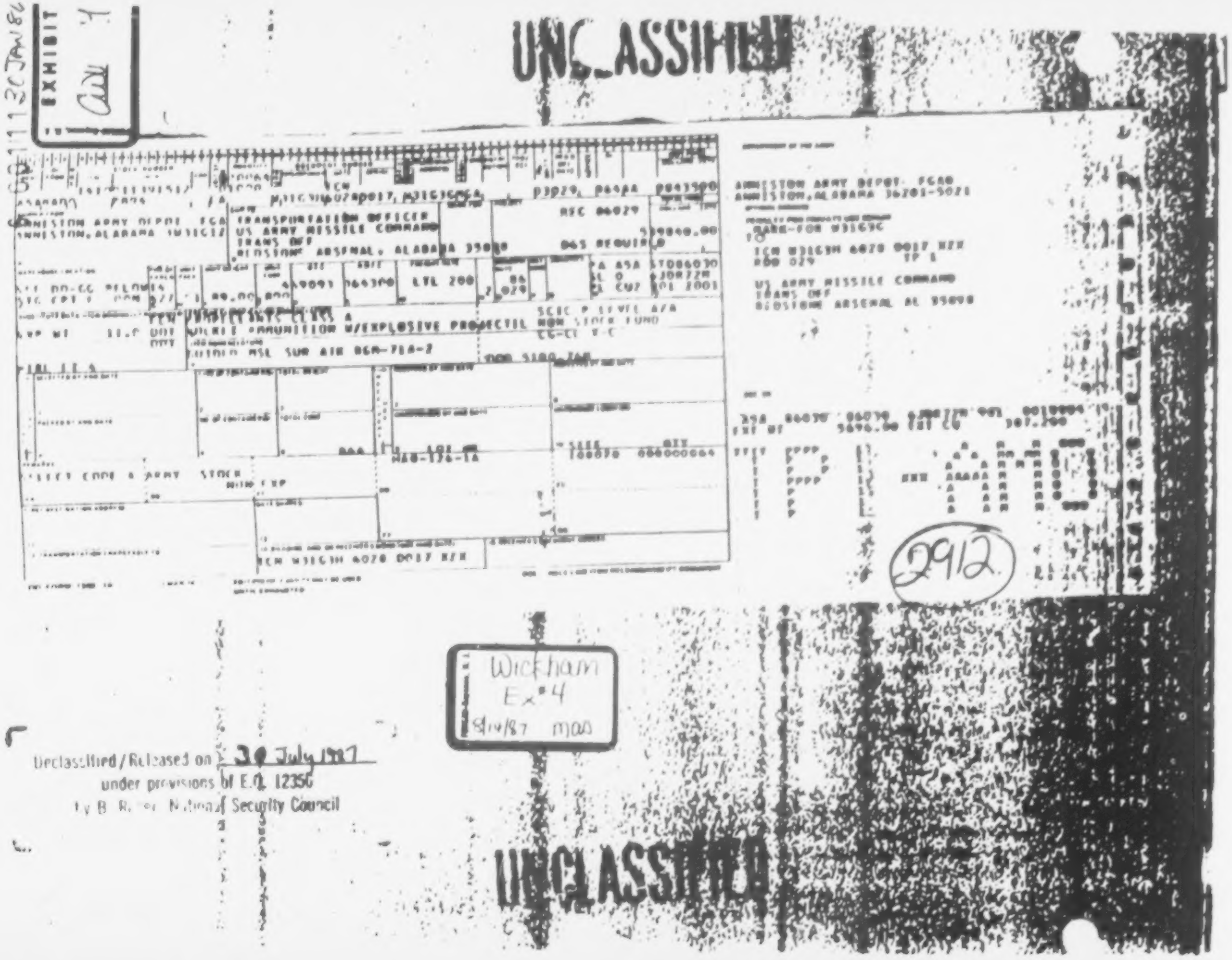

30 JAN 86

EXHIBIT

4

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P3029, P06AA

TRANSPORTATION OFFICER
US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL, ALABAMA 35898

RSC 06029

DGS REQUIRED

ANNISTON ARMY DEPOT ECA
ANNISTON, ALABAMA

LTL 200

ROCKET AMMUNITION W/EXPLOSIVE PROJECTIL NON STOCK FUND

GUIDED MSL SUR AIR BGM-71A-2

SELECT CODE A ARMY STOCK WITH EXP

TCN W31G1H 6020 0017 XXX

ANNISTON ARMY DEPOT ECAD
ANNISTON, ALABAMA 36201-5021

MARK-FOR W31G9C
TO
TCN W31G1H 6020 0017 XXX
POD 029 TP 1

US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL AL 35898

TP AMMO

2912

Wickham
Ex #4
8/14/87 MDO

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under provisions of E.O. 12356
by B. Reger, National Security Council

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28 JAN 86
G 00103

W31G12
ANNISTON ARMY DEPOT
ANNISTON, AL.

REDSTONE ARSENAL
REDSTONE, AL

ROCKET AMMUNITION W/EXPLOSIVE PROJECTILE
CLASS A EXPLOSIVE
GUIDED MSL SYS ATK BGM-71A-1

PART NO	SIZE	QTY
M00-112-2	1612	30
RVD-124-3A	2404	106

THIS IS TO CERTIFY THAT THE ABOVE NAMED MATERIALS ARE PROPERLY CLASSIFIED, DESCRIBED, PACKAGED, MARKED AND LABELED AND ARE IN PROPER CONDITION FOR TRANSPORTATION ACCORDING TO THE APPLICABLE REGULATIONS OF THE DEPARTMENT OF TRANSPORTATION.

W31G3M 6028 0017 XFX

DD FORM 1348-1

411 11.26

TO

W31G3M 6028 0017 XFX
RUD 029 TP 1

REDSTONE ARSENAL, AL

Sign and Return

EXHIBIT
GWH-45

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Wickham
Ex*5
8/14/87 mas

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under provisions of E.O. 12356
by B. Reger, National Security Council

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2904

13 Feb 86

UNCLASSIFIED

SHIPPED FROM
Redstone Arsenal

SHIP TO
MAJ Chris Simpson
HQDA ODCSLOG
DALO-SMU-LA, Wash, DC 20310-0547

FREIGHT RATE

FREIGHT CLASSIFICATION NOMENCLATURE
Rocket Ammunition W/Explosive Projectile
~~Guided Missile & Explosive~~

ITEM NOMENCLATURE
Guided Msl Sur Atk BGM-71A-2

SELECTED BY AND DATE

TYPE OF CONTAINER(S)

TOTAL WEIGHT

RECEIVED BY AND DATE

INSPECTED BY AND DATE

PACKED BY AND DATE

NO. OF CONTAINERS

TOTAL CUBE

WAREHOUSED BY AND DATE

WAREHOUSE LOCATION

REMARKS

FIRST DESTINATION ADDRESS
Oakland Army Terminal
Oakland, CA

DATE SHIPPED
13 Feb 86

TRANSPORTATION CHARGEABLE TO
DALO-SMU-LA

ISSUED BY
MAJ Chris Simpson SSN 1[illegible]-42-9662
DALO-SMU-LA

DD FORM 1348-1 1 JAN 84 EDITION OF 1 AUG 81 MAY BE USED DOD SINGLE LINE ITEM RELEASE/RECEIPT DOCUMENT

6 00136

EXHIBIT
CNO-46

Wickham
Ex.#6
8/14/87 mas

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2939

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13 Feb 86

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~~SECRET~~

[redacted]

9 00100

1410011391512

PB94 EA 1000 W74PVB 6044 C001 W74PVB 3 XP CRV 02 044 3469 00

SHIPPED FROM
Redstone Arsenal

SHIP TO
MAJ Chris Simpson
HQDA ODCSLOG
DALO-SMU-LA, Wash, DC 20310-0547

MARK FOR

PROJECT

FREIGHT RATE

FREIGHT CLASSIFICATION NOMENCLATURE
Rocket Ammunition W/Explosive Projectile
~~Class A Explosive~~

Guided Msl Sur Atk BGM-71A-2

William D.

[redacted]

CIA

from MAJ Simpson, HQDA
on 13 FEB 86

SPECIAL HANDLING OF THIS DOCUMENT IS
REQUIRED. HANDCARRY DURING ROUTING.
NORMAL ADMINISTRATIVE DISTRIBUTION
CHANNELS SHALL NOT BE USED. ACCESS
TO THIS DOCUMENT MUST BE LIMITED TO
THOSE WHO MUST KNOW THE INFORMATION

REMARKS

Oakland Army Terminal
Oakland, CA

13 Feb 86

TRANSPORTATION CHARGEABLE TO
DALO-SMU-LA

MAJ Chris Simpson SSN 150-42-9662
DALO-SMU-LA

RECEIVER'S DOCUMENT NUMBER

ITEM RELEASE/RECEIPT DOCUMENT

CLASSIFIED BY: DASR (U)
DECLASSIFY ON: OADR

~~SECRET~~

2

(2901)

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B-77

No Date

tially Declassified/Released on 23 Jan 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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U 21524

PROSPECTS FOR IMMEDIATE SHIPMENT OF I-HAWK and I-TOW MISSILES

I-HAWK

- There are 164 missiles available at Red River Arsenal--75 intended for UAE and 84 for Korea. The missiles have not yet been lot acceptance tested, but there is a very low risk of failure. The missiles will be at Red River until about April 1986 for testing.

- There would be no impact on the UAE if we ship their 75 missiles. The program has slipped in other ways, and can be accommodated within the normal production lead time for replacement missiles.

Wickham
Ex #8
8/14/87 mas

- Korea would have to be consulted to ascertain the impact on their program, if it is necessary to ship any missiles in addition to the 75 mentioned above. Procurement lead time to replac Korea's missiles would be about 33 months.

- To the best of our knowledge, all of U.S. Army I-HAWKs are with units and should not be considered from diversion.

- Unit replacement price of HAWK missiles is about $437.7K; total package price for 50 would approximate $22.5M; for 100 about $45M. Package prices include FMS surcharges.

I-TOW

EXHIBIT
[illegible]-39

- Army has about [redacted] TOWs (including 40,000 I-TOW) on hand, against a distribution requirement of about [redacted]. About 12,900 I-TOW missiles are available in CONUS depot stocks.

- Based on the numbers, the impact on Army of shipping 3,300 I-TOWs immediately would be serious but not intolerable. No missiles would have to be taken from troops. Based on the seriousness of the requirement, and keeping in mind that the Ar would receive TOW-II replacement missiles, it is likely that the Army would reluctantly acquiesce to immediate shipment of the entire quantity.

- Unit price of the replacement TOW-II missile is about $12,20 total package price would approximate $42M, with FMS surcharges

- Delivery from production of TOW-II pay back missiles to the Army would occur about the beginning of CY 1988. If necessary-though this is not recommended--approximately 2,000 unallocated TOW-II missiles could be delivered from USAF to Army in second quarter CY 1987.

UNCLASSIFIED

18 APR 86

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DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS
WASHINGTON, DC 20310

REPLY TO
ATTENTION OF

EXHIBIT
CWW-23

DAMO-SA

18 APR 1986

MEMORANDUM FOR DIRECTOR, JOINT STAFF

SUBJECT: [redacted] System (U)

1. (S) The [redacted] System provides a single channel for requests for support from the Central Intelligence Agency to the Department of Defense. The system protects extremely sensitive information from both inadvertent and deliberate disclosure, allows for covert support to Agency operations worldwide, and insures adequate Service review of the requests.

2. (S) Recently, a number of requests involving transfer of high technology weapons, large quantities of limited, sophisticated missiles, and/or spares for low density weapons have bypassed th [redacted] System. These requests have been made by members of the Office of the Secretary of Defense directly to Service officials. [redacted] has either not participated or has done so after the fact.

3. (S) Requests which bypass the [redacted] System receive les Service and no Joint Staff scrutiny, yet may impact on the Service's warfighting capabilities. The Secretary of Defense should be made aware that using ad hoc channels to support the may degrade security overall and impair national security.

Carl E. Vuono

CARL E. VUONO
Lieutenant General, GS
Deputy Chief of Staff for
Operations and Plans

Partially Declassified/Released on 5-13-87
under provisions of E.O. 12356
by B. Reger, National Security Council

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Ex. 9
8/14/87 mas

775

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[illegible]

Cy: [illegible] 1
7111 0346-

Department of State 12Feb85 TELEGRAM

UNCLASSIFIED

5881

I002

PAGE 01 SAN SA 01792
ACTION INRD-00

INFO LOG-01 ADS-00 CCO-[illegible]
------------------085425 120362Z /38

R 120259Z FEB 85
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 2642

FILE COPY

CONFIDENTIAL SAN SALVADOR 01792

SPECIAL HANDLING

[redacted]

FOR ARA CRAIG JOHNSTONE FROM PICKERING

E.O. 12356: DECL: OADR
TAGS: MOPS, PINR, ES
SUBJ: FELIX RODRIGUEZ

REF: SAN SALVADOR 1462

S 4486

ARA
OD
P

1. C - ENTIRE TEXT.

2. THE FOLLOWING MESSAGE WAS RECEIVED BY AMB PICKERING FROM GENERAL GORMAN ON FEBRUARY 8.

3. BEGIN TEXT:

SUBJECT HAS BEEN PUT INTO PLAY BY OLLIE NORTH, AND, WHILE WELL ACQUAINTED, DOES NOT HAVE HIGHER BACKING. OLLIE ASSURES ME THAT HE WILL PASS WORD TO RODRIGUEZ TO GET IN TOUCH WITH ME BEFORE HE GOES ANY FURTHER.

I WILL ARRANGE TO HAVE RODRIGUEZ COME TO SOUTHCOM FOR DISCUSSIONS. WE CAN THEN DECIDE WHETHER IT WILL ALSO BE USEFUL FOR HIM TO INSPECT ESAF OPERATIONS; POSSIBLY WE ALL MIGHT LEARN SOMETHING FROM HIM. BUT OLLIE ASSURES ME THAT HIS INTENT WAS TO FOCUS RODRIGUEZ ON FORCES OPERATING ELSEWHERE IN CENTAM, AND THAT NOTHING MORE THAN CONSULTING WITH [redacted] WAS CONTEMPLATED. I STRESSED OUR CONCERN OVER [redacted] AND THE PENDING TRANSFER OF PRAL FROM [redacted] TO MILGP, OPINING THAT WE REALLY HAD ENOUGH ADVICE FOR THE ESAF ON THE NET AT THE MOMENT. OLLIE ROGERED, AND SAID THAT RODRIGUEZ CAN BE MUCH MORE USEFUL IN OTHER PLACES, WHERE AID AND ADVICE IS MUCH SCARCER.

WILL KEEP YOU INFORMED.

END TEXT.

PICKERING

J. Wickham
Ex #10

[illegible] 30 Jul 1987
[illegible] of E.O. 12356
[illegible]

UNCLASSIFIED

3170

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③ File
Fr me
S

14 Feb '85

Z[illegible]837EIB294
OO YEKRAL
DE YEXANA #0225 0452257
ZNY MMNSH
ZZK OO SOA DE
O 14[redacted] FEB 00 ZYH
FM USSOUTHCOM
TO [redacted]
ZEM
CONFIDENTIAL PNA-0459-14-FEB-85
QQQQ
EYES ONLY//EYES ONLY//EYES ONLY//EYES ONLY//
NIACT IMMEDIATED
FOR AMBASSADOR PICKERING AND COL STEELE FROM GEN GORMAN
SUBJECT: FELIX RODRIGUEZ (U)

1. (C) I HAVE JUST MET HERE WITH FELIX RODRIGUEZ, [redacted] PENSIONER FROM MIAMI. BORN IN CUBA, A VETERAN OF GUERRILLA OPERATIONS [redacted] HE IS OPERATING AS A PRIVATE CITIZEN, BUT HIS ACQUAINTANCESHIP WITH THE VP IS REAL ENOUGH, GOING BACK TO LATTER'S DAYS AS DCI.

2. (C) RODRIGUEZ' PRIMARY COMMITMENT TO THE REGION IS IN [redacted] WHERE HE WANTS TO ASSIST THE FDN. I TOLD HIM THAT THE FDN DESERVED HIS PRIORITY. I ALSO TOLD HIM THAT YOUR WORK WITH THE PRAL WAS ADVANCING WELL, AND THAT WE HAD MADE PROGRESS WITH TRAINING OTHER PATROL FORCES. I WARNED HIM THAT WHATEVER HIS CONSULTING ROLE IN EL SAL AMOUNTED TO, HE COULD NOT BECOME VISIBLE TO THE PRESS IN ANY SENSE WITHOUT DAMAGING OUR CAUSE THERE. I ALSO CAUTIONED THAT EL SAL WAS A VERY MUCH MORE DELICATE ENVIRONMENT WITH RESPECT TO CIVIL-MILITARY RELATIONS AND RESPECT FOR HUMAN RIGHTS THAN ANY HE HAD OPERATED IN BEFORE.

3. (C) HE WILL WANT TO FLY WITH THE ESAF TO ESTABLISH HIS CREDIBILITY, BUT THAT BIT OF MACHISMO SEEMS TO ME BOTH UNNECESSARY AND UNWISE.

4. (C) MY JUDGMENT IS THAT HIS ADVICE WILL REINFORCE OURS, AND THAT WE SHOULD PUT NO OBSTACLES IN HIS WAY TO CONSULTING WITH BLANDON OR BUSTILLO UNLESS AND UNTIL WE GET COUNTERINDICATIONS. I RECOMMEND THAT JIM STEELE MEET WITH HIM. [redacted] AND AMBASSADOR MAY ALSO WANT TO INTERVIEW HIM, BUT OUR MAIN INTEREST IS, AS I SEE IT, TO INSURE WE KNOW WHAT HE IS TELLING BLANDON AND BUSTILLO VIA IN-BRIEF AND OUT-BRIEF.

5. (C) ASSUMING YOUR APPROVAL, I WILL SEND RODRIGUEZ TO [redacted] TOMORROW, 15 FEB, ON ONE OF MY C-12S. HE WILL ARRIVE AROUND 1:00 LOCAL. HE IS A LONG-TIME FRIEND OF LOU RODRIGUEZ AND, IF AVAILABLE, WOULD APPRECIATE IT IF LOU COULD BE HIS CONTACT POINT. I ANTICIPATE HE WILL WANT TO DEPART FOR MIAMI ON SATURDAY.

DECLAS OADR
SSO NOTE: DELIVER IMMEDIATELY.
#0225

NNNN

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under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED

3180

Gorman UNCLASSIFIED

D 23180

File for me
S

BACK CHANNEL

Partially Declassified/Released on 30 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

ACTION: STATE RCI, IMMEDIATE
USSOUTHCOM, IMMEDIATE

EYES ONLY FOR ARA MOTLEY AND JOHNSTONE; SOUTHCOM FOR GENERAL GORMAN FROM PICKERING

SUBJ: MEETING WITH FELIX RODRIGUEZ

1. I HAD A VALUABLE MEETING WITH FELIX RODRIGUEZ FEBRUARY 15.

2. HE HAS OUTLINED A TACTIC WHICH I BELIEVE HAS MERIT AND SHOULD BE TRIED OUT, VIZ:

[redacted]

OBVIOUSLY OTHER VARIATIONS ARE POSSIBLE, BUT WE WILL HAVE TO INTEGRATE [redacted] ISSUE AND HANDLE IT BETTER THAN EVER BEFORE IF IT IS TO WORK, SOMETHING I AGREE WITH ON ITS OWN.

3. RODRIGUEZ WILL RETURN IN 3-4 WEEKS TO WORK WITH BUSTILLO (FAS) AND STEELE. STEELE WILL MONITOR CLOSELY. RODRIGUEZ UNDERSTANDS MY GENERAL RULES -- NO CIVILIAN CASUALTIES AND HE IS NOT TO ACCOMPANY FAS ON COMBAT MISSIONS AND AGREES. WE WILL START

3055

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SLOWLY AND CAREFULLY TO SEE WHAT APPROACH CAN PPODUCE. HE WILL TAKE ON HIGHER PRIORITY [redacted] MISSION FIRST.

4. FOR ARA: PLEASE BRIEF DON GREGG IN VP'S OFFICE FOR ME.

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[redacted]

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Galvin [illegible]
15 JAN 86
0396

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

ACTION January 15, 1986 307

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

II 30632

SUBJECT: Meeting with General Jack Galvin, USSOUTCHOM

You are scheduled to meet with General Jack Galvin on Thursday, January 16 from 10:30-11:00 a.m. General Galvin has some specific recommendations on future plans for more effective support to the Democratic Resistance Forces (DRF) in Nicaragua. In this regard, Elliott Abrahms advised today that Senator Dole is drafting a bill which will provide overt military support for the DRF. He reportedly has Senators Lugar, Bumpers, and Boren as co-sponsors and Senator Sam Nunn is considering whether or not to "sign-on."

General Gorman was and is an active proponent of a greater role for the Special Forces in training/advising both the Salvadoran military the DRF. General Galvin shares this belief. Both remain convinced that the CIA lacks the military expertise necessary to adequately train and advise the DRF in an appropriate strategy or even the proper tactics. Their concern is not unfounded. To this date, the CIA has been unable to produce a coherent military strategy, the tactics to support such a strategy, or to adequately train the force to accomplish either. Admittedly, some of the problem is because of our "on again-off again" Congressional restrictions. But, no small part of the problem is a lack of expertise in the paramilitary side of the CIA operations direcorate.

Partially Declassified/Released on 29 Jan 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

[redacted]

Finally, General Galvin has asked that you agree to periodic (about once a month) meetings with you to discuss sensitive issues. You should be aware that General Galvin is cognizant of the activities underway in both Costa Rica and at [redacted] in support of the DRF. General Galvin is enthusiastic about both endeavors. I will be flying with General Galvin to Costa Rica after the meeting with a return Tuesday morning.

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RECOMMENDATION

That you review the points above prior to your meeting.

Approve ________ Disapprove ________

~~SECRET~~

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JOOF Box 23
4/1/[illegible]

ZINK, GREGORY. See CLARK, ALFRED.